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How Best to Aid Russia? U.S. and IMF Disagree

White House Says Financial Backing For Yeltsin Should Be More 'Energetic'

By Alan Friedman
International Herald Tribune

PARIS — As President Bill Clinton prepares for his first NATO and Moscow summit meetings, a behind-the-scenes fight has broken out among Western government officials and economists over the strategy for disbursing as much as \$13 billion of Western aid for Russia through the International Monetary Fund.

After a period of disarray on the issue within the Clinton administration, senior U.S. officials, as well as respected outsiders such as Gerald Corrigan, former president of the Federal Reserve Bank of New York, made clear in interviews that they were now pushing for speedier aid to Russia, to bolster the position of President Boris N. Yeltsin and other Russian reformers.

Mr. Clinton's own view, which he has said he will express in Moscow, is that there needs to be more Russian reform as well as "more attempts to build a safety net to deal with the consequences of reform." (Page 2)

Mr. Clinton, who will meet with Mr. Yeltsin at the Kremlin next Thursday and Friday, arrives in Brussels on Sunday on a trip that will also include stops in Prague, Minsk and Geneva.

Policy-makers in Mr. Clinton's administration, while avoiding direct criticism of the IMF, say they are eager to see more financial support for Mr. Yeltsin's government, partly to try to reduce the influence of Vladimir V. Zhirinovskiy, the ultranationalist politician whose new parliamentary clout could threaten economic reforms.

Senior U.S. officials contend that they are not trying to bully the IMF into relaxing its criteria for providing loans to Russia. But one U.S. policymaker said that "there should be some immediate support" for Russia and suggested the organization should not be "doctrinaire" in the way it judged conditions for providing fresh money to Moscow. As the largest single shareholder, Washington has more influence than other IMF members.

A White House aide said Wednesday that the IMF and the World Bank, its sister organization, "can be more effective in conveying assistance to Russia, perhaps in some fields be more energetic."

The normally apolitical IMF has been thrust to the center of the controversy because it was asked last year to supply nearly half of the \$28.4 billion Russian aid package promised by the See IMF, Page 13



MOURNING AS SHELLS FALL — Lejla Dragovic, whose twin sister and five other family members were killed by Serbian shelling of Sarajevo, being comforted Thursday at their gravesite amid a thunderous bombardment. In Washington, a U.S. official said Warren Zimmermann, an ex-ambassador to Yugoslavia, was resigning from the foreign service to protest U.S. policy. Page 2.

U.S. Reduces Imports of China Textiles By Up to 35%

Beijing Is Urged to Stop Transshipment of Goods Through 3d Countries

By Paul F. Horvitz and Robert C. Siner
International Herald Tribune

WASHINGTON — Weary of waiting for Beijing to make concessions on its textile exports, the United States announced Thursday that it would cut by up to one-third the number of Chinese textile and apparel products allowed into the United States this year.

At issue is Washington's insistence that China halt clothing transshipments, in which goods move to a third nation, receive new labels and thus escape the U.S. import quota for Chinese-made goods.

The quotas have the effect of protecting the U.S. textile industry from cheap imports.

The announcement by the U.S. trade representative, Mickey Kantor, will have little or no impact if substantive talks with the Chinese resume and the U.S. order is rescinded, analysts said.

U.S. officials said they were "hopeful" of renewed talks. There was no immediate response from Chinese officials. A Chinese Embassy spokesman asked for the U.S. statement.

The American action was seen as a clear signal that Washington intends, for now at least, to take a firm stand with Beijing on an economic issue that reverberates in the U.S. Congress. Legislators, many from textile-producing states, will have to vote this spring on whether to renew the broader most-favored-nation trading status for China.

"We have said all along that if we could not reach an agreement with China which addressed the problems we have had with textile trade, then we would have to impose quotas at the levels outlined," Mr. Kantor said.

A 1993 U.S. import quota agreement expired Dec. 31. Under the new order, quotas will be cut 25 percent to 35 percent on 88 categories of products, including sweaters, knit shirts, cotton trousers and cloths used to clean machinery. The order goes into effect Jan. 17, but would be retroactive to Jan. 1.

Mr. Kantor estimated that the reduction would trim China's exports by up to \$1.2 billion.

Jeffrey J. Schott, a trade expert with the Institute for International Economics, said China would feel an immediate pinch from the U.S. action because it could parcel out its textile exports while conducting fresh negotiations. If exports are speeded up, the quota will be filled quickly, but if they are slowed, it will not.

Nevertheless, he said, the U.S. announcement "puts the Chinese on notice."

President Bill Clinton, he said, wants to show members of Congress who are concerned about renewing China's favored trading status that Beijing is willing to begin "a pattern of constructive advances" in trade relations.

Given the facts of Treasury Secretary Lloyd Bentsen's visit to Beijing later this month and the recent meeting between Mr. Clinton and President Jiang Zemin of China, the textile issue "will not, in any of itself, blow up into a major confrontation," Mr. Schott said.

"But it is a serious issue," he added.

Textile negotiations between China and the United States broke off last month when China turned down American demands for tougher controls and penalties on transshipments. There were four sessions over the past nine months, and U.S. officials said China rejected the latest American invitation to resume discussions.

Transshipment controls have been accepted by 16 other nations that trade with the United States, Mr. Kantor's office said.

"Clearly," Mr. Kantor said, "textile transshipment damages our workers and industry and violates China's international commitments."

An aide to Mr. Kantor said that if an agreement could be reached with the Chinese, the quota cuts could be adjusted. She said that talks so far were in stalemate.

Since 1988, China's exports of textile and clothing to the United States have more than doubled, from \$2.2 billion that year to an estimated \$11.2 billion this year.

President's Trip Is On Despite Mother's Death

WASHINGTON — President Bill Clinton's trip to Europe starting this coming weekend is unlikely to be significantly affected by the death of his mother, the White House said Thursday.

"I don't think that will change much," said Dee Dee Myers, the White House press secretary. "There's been no change in the schedule."

Funeral arrangements for Virginia Kelley, who died in her sleep early Thursday morning, were incomplete.

Mr. Clinton is scheduled to leave Washington late Saturday on an eight-day trip to Brussels, Prague, Moscow, as well as Minsk, in Belarus, and Geneva.

Her fondness for nightlife and betting on horses made Mrs. Kelley a colorful sidekick throughout her son's career. *Obituary, Page 3.*

Clinton's Domestic Theme Sells New European Role

WASHINGTON — The security of the United States remains directly linked to freedom and democracy in Europe, and in particular to the stability of Eastern Europe, Vice President Al Gore said Thursday.

In a speech aimed at both Americans and East Europeans still fearful of Russian incursions, Mr. Gore spoke for President Bill Clinton when he declared and repeated for emphasis: "The security of the states that lie between Western Europe and Russia affects the security of America."

But Mr. Gore provided no more concrete security guarantees than are already contained in the forthcoming Partnership for Peace, in which East European, and former Soviet republics will be offered a cooperative link to the North Atlantic Treaty Organization but not membership.

Mr. Gore's speech, delivered in Milwaukee, was to have been given by Mr. Clinton himself, but the president had to cancel after his mother's death earlier in the day.

The Partnership for Peace is designed to offer the former Communist states "the confidence that they can integrate into the West rather than remain an alien world," Mr. Gore said.

It is far from clear whether that confidence will be significantly enhanced by Mr. Clinton's trip to Europe next week, but Mr. Gore made it clear that the president would seek in a variety of ways to calm the fears of Russian revanchism among the leaders of such nations as Poland, Hungary, the Czech Republic and Slovakia.

"The success of these new democracies," Mr. Gore declared, "is important to our nation and our security. We must help them succeed."

"We didn't spend years supporting Solidarity just to have democracy in Poland. We didn't celebrate the Velvet Revolution in Czechoslovakia just to see that birth of freedom die from neglect."

"We prevailed in the Cold War for their sake and ours. And now we must prevail for their sake and ours in building a broader democratic peace throughout Europe."

In his first official trip to Europe, Mr. Clinton will attend a NATO summit meeting in Brussels starting Monday and later travel to Moscow, Prague, Geneva and the Belarus capital, Minsk.

See POLICY, Page 2

NATO Clears Way for Massive Changes

With New Structure, a Role for Ex-Warsaw Pact Nations

By Steven Greenhouse
New York Times Service

WASHINGTON — NATO officials have removed the final barriers to a U.S.-backed proposal that would change the military alliance's command structure to make it easier for NATO and former Warsaw Pact troops to combine forces to defuse crises inside and outside Europe.

The plan calls for establishing multinational task forces of NATO and non-NATO troops that would conduct joint military exercises and be ready to move quickly on peacekeeping or relief missions.

In interviews Wednesday, NATO officials said France had abandoned its last objections to the plan, paving the way for President Bill Clinton and other leaders of the North Atlantic Treaty Organization to approve it when they meet in Brussels next week.

The Clinton administration has supported the plan because it furthers its goal of shifting some of the alliance's defense burden to Europe. Also, it will give European nations more flexibility and resources to police their own backyard.

Under the plan, European nations in NATO could use European troops and NATO resources, like radar and intelligence reports, in try to defuse conflicts in the region while U.S. troops remained out of the mission.

A U.S. official at NATO headquarters said the plan "provides a vehicle that enhances burden sharing by allowing the European members of the alliance to make use of existing NATO command structures and assets to conduct operations in which the United States would not choose to be involved."

The Clinton administration supports the plan because it discourages the Europeans from setting up a separate multinational force outside the NATO structure — an idea that made Washington uneasy because it would reduce U.S. influence in Europe.

The Bush administration opposed the plan, believing that it would reduce the U.S. role in NATO.

NATO officials said Wednesday that the new structure would create "combined joint task forces" involving troops from different branches of the armed services and from different countries.

For example, a joint task force might include See NATO, Page 2

Top Research Center Accuses Bundesbank of Prolonging Recession

By Brandon Mitchener
International Herald Tribune

FRANKFURT — As evidence grows that Germany is headed for a double-dip recession, one of its leading research institutes accused the Bundesbank on Thursday of prolonging the economic misery and exporting it all across Europe.

Cutting interest rates swiftly to feed growth, "the United States drew the right monetary policy consequences from its recession," the Berlin-based German Institute for Economic Research said in a bleak New Year's forecast.

In Europe, by contrast, it added, monetary authorities have made the recession "significantly longer and deeper" than necessary.

Its target was the German central bank, which effectively sets monetary policy for Western Europe. The German economy is the continent's largest.

But the Bundesbank, which left German interest rates unchanged Thursday in its first board meeting of the year, dismissed the criticism and said it was proceeding cautiously to maintain markets' trust in its inflation-fighting credentials.

Hans Tietmeyer, the Bundesbank president, said late Thursday that the Bundesbank was more concerned with avoiding a rise in long-term interest rates than in "forcing" a decline in short-term rates. "Given the situation as we see it, we don't want any change in our policies in the immediate future," he told foreign journalists in Frankfurt, citing the Bundesbank's decision to leave its key market rate unchanged for the next two weeks. "We're driving straight ahead."

The government also came under fire Thursday when its economics minister, Günter Rexrodt, lashed out at Chancellor Helmut Kohl's handling of the economy.

Mr. Rexrodt is a member of the Free Democratic Party, which shares power with Mr. Kohl's Christian Democrats. He called his senior partners "paralyzed, defensive and fearful" in the face of spiraling budget deficits and overregulation choking the economy.

"They are divided among themselves, blind See BUNDESBANK, Page 13

Metals Firm Beset

Metallgesellschaft AG, a major German company, revealed massive new losses and said it would go bankrupt if its bank creditors did not bail it out. (Page 11)

Study Doubts Value of Tests For Cholesterol

LONDON — A British-American research team says that measuring cholesterol levels in blood is not a reliable method of predicting heart disease.

A 12-year study showed that up to 75 percent of heart disease deaths in Britain would not be predicted successfully by cholesterol levels. People could receive false assurances through screening, the researchers added in an article in the British medical journal *The Lancet*.

"The results are disappointing," said Nicholas Wald of the University of London, one of the authors of the study.

Dr. Wald said the problem with screening was that it was not sufficiently discriminating. "The reason is that there is too little variation between people in our population," he said. "Most adults have cholesterol and blood pressure levels that are too high. It is better to concentrate resources on improving our diet and reducing smoking in the population as a whole than to screen individuals."

The study covered 21,500 men without known heart disease who attended a private medical clinic in London.



WAITING FOR PEACE — Prime Minister Yitzhak Rabin, visiting the Allenby Bridge crossing with Jordan on Thursday. As Israel and PLO said they would restart talks, he played down the problem of deadlines. On Friday, Israel will free 100 Palestinians. Page 4.

Klosk

40 Die in Attack on Togo Army Base

LOME, Togo (Reuters) — At least 40 people died in fighting in Togo's capital, Lomé, after more than 100 men attacked an army base where President Gnassingbé Eyadéma has a residence, the country's defense minister said Thursday.

The minister, Inoussa Bourkina, said 30 attackers, seven members of the security forces and three civilians had been killed during and after Wednesday night's attack. Several people were wounded and 35 attackers were taken prisoner.

General News
North Korea hasn't budged on inspections of 2 nuclear sites, a U.S. aide said. Page 5.

Newsstand Prices

Andorra	9.00 FF	Luxembourg	40 L.	Fr
Antilles	11.20 FF	Morocco	12 Dh	
Cameroon	700 CFA	Réunion	11.20 FF	
Egypt	E.P. 5000	Saudi Arabia	5.00 R.	
France	9.00 FF	Senegal	400 CFA	
Gabon	480 CFA	Spain	1.000 Ptas	
Greece	300 Dr.	Tunisia	1.000 Din	
Ivory Coast	500 CFA	Turkey	T.L. 12,000	
Jordan	1 JD	U.A.E.	8.50 Dirh	
Lebanon	US\$1.50	U.S. Mil.	(Eur.) \$1.10	

Dow Jones	Up 5.06	Trib Index	Down 0.05%
	3,803.88		111.38
The Dollar	1.7446	1.7497	
DM	1.4818	1.4877	
Pound	1.1260	1.1305	
Yen	5.925	5.9055	

Clinton to Yeltsin: Intensify Reforms, Aid Will Ease Pain

By Thomas L. Friedman
New York Times Service

WASHINGTON—After a long internal debate on America's Russia policy, President Bill Clinton plans to go to Moscow next week urging continued tough economic reforms but with some new ideas about how Western aid can be used to retrain Russian workers and cushion those left unemployed by economic changes, according to officials.

Administration officials said Wednesday that they were still thrashing out what sort of programs they might propose, as well as whether Washington should lead by example and eventually add more money to the Western aid pot.

But at a meeting with newspaper columnists, Mr. Clinton left little doubt about where he stood on the question of whether the strong showing by ultranationalists in elections last month meant that the West should urge a slower pace of reform in Russia.

He said he would tell President Boris Yeltsin that Russia needs more reform—not less—but also more Western help to ease the political fallout.

"I am going to Russia to reaffirm the support of the United States, both for democracy and for reform," Mr. Clinton said.

The president also spoke in detail about the future of the North Atlantic Treaty Organization and U.S. relations with Eastern Europe.

Mr. Clinton devoted his opening statement to an attempt to assure Eastern Europe of continued American support, despite Washington's opposition to immediate NATO membership for Poland, Hungary and the Czech Republic.

He defended the American plan for only limited military partnerships between the countries and NATO, saying it was no compromise in the alliance to do anything further right now, and hinted that Washington was acting in part in response to an appeal by Mr. Yeltsin not to isolate Russia.

"What I hope we can do is to develop a policy toward Europe as a whole," Mr. Clinton said, "a policy which supports political and economic and strategic integration, not one which draws different dividing lines in Europe."

The president said NATO was reaching out in a limited way to the East European countries because "we don't want them to feel threatened by an eastward pull anymore, but neither do we want to prejudice the future intentions and policies of Russia and other countries in the newly independent states, and especially Ukraine."

He said he believed that Russia and the other former Soviet republics appreciated this cautious, step-by-step NATO approach, because they do not want to be condemned forever to the status of enemies.

Mr. Clinton said he would also use his talks with West European allies at the NATO summit meeting to try to press them to open up their markets more to Eastern Europe, where industries are withering for lack of nearby customers.

"I think the United States ought to set a good example so that we can make as forceful an argument as possible that the Europeans ought to trade more with them," he said.

Since militant nationalists and Communists made a surprisingly strong showing in last month's Russian elections, Clinton administration officials have been reconsidering America's approach to Russia, and with some seeming to hint that maybe the West should ease up on its demands for Russian economic reform.

In recent days, though, economic experts within the administration, particularly Treasury Secretary Lloyd Bentsen, have been arguing that what Russia needs now is to intensify its reform efforts.

But, they added, that reform must be better cushioned—to avoid the sort of political reaction witnessed in the recent elections—by better helping pensioners and government workers who will be most affected.

The basic idea, officials said, is

to ease some of the social fallout from the closing of inefficient state-run Russian industries by providing help for these groups of workers, rather than relying on more generalized subsidies and credits to the government that could miss the mark and only run up the deficit.

In a speech to economists in Boston on Monday, Lawrence Summers, undersecretary of the Treasury for international affairs, alluded to this evolving strategy.

He said it would be "a grave mistake" to think that there was some sort of "third way" for dealing with Russian aid—a way that would make for painless reforms.

Mr. Summers said "there is no viable alternative to the hard work of economic stabilization." He added, though, that while encouraging that hard work, the United States and the West had to ensure that their bilateral and multilateral aid dealt "with the dislocations that are inevitably associated with reforms."

But how will the administration go about this? In part, Mr. Clinton will go to Moscow carrying some new ideas, in part he will want to hear ideas from Mr. Yeltsin, and in part the president and Treasury officials plan an intensive round of discussions with other members of the Group of Seven major industrialized democracies on whether they should give new directives, and possibly new money, to the international financial institutions working with Russia.

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An officer telling his wife good-bye in Ryazan, Russia. His battalion has peacekeeping duty in Serbia.

'Stay Home and Play Sax,' Zhirinovskiy Chides

By Lee Hockstader
Washington Post Service

MOSCOW—Vladimir V. Zhirinovskiy, the extremist who has threatened war with Germany and Japan and insulted a growing list of world leaders, heaped sarcasm on Bill Clinton on Thursday, saying the president was "afraid" of meeting with him in Moscow next week.

"The American president, big deal," Interfax quoted him as saying. "Shame on this president. Let him stay at home and play his saxophone over there rather than come here and meet with God knows whom."

Mr. Clinton, who is scheduled to hold three days of talks in Moscow next week, has said he will not meet Mr. Zhirinovskiy, whose views are considered racist and fascist by most of his opponents. In an effort to isolate him, Mr. Clinton is planning to meet with a wide range of opposition leaders in Moscow—including Communists and their rural kin, the Agrarians—but not with anyone from Mr. Zhirinovskiy's Liberal Democratic Party.

But in seeking to isolate Mr. Zhirinovskiy there is a risk that Mr. Clinton may only

generate more publicity for the man whose party collected 22.8 percent of the vote in the December elections. Mr. Zhirinovskiy's party will have about one seventh of the 450 seats in the lower house of the Russian legislature.

The legislature is scheduled to begin meeting Monday, the day before Mr. Clinton's arrival. Mr. Clinton is not now planning an address to the body during his visit.

Mr. Zhirinovskiy, whose party's success in Russia's legislative elections last month surprised many, said Mr. Clinton was "afraid of meeting" him.

"Tell the president that Russia has only one party, the Liberal Democratic Party of Russia," Mr. Zhirinovskiy said. "There are no others. The rest is a lie."

He added that by showing support for President Boris N. Yeltsin, "Clinton is wagging his tail."

Mr. Zhirinovskiy spoke when he collected his identification card as a member of the legislature representing Shchelkovo, a central Russian town where he won his parliamentary seat.

He displayed his parliamentary card and

proclaimed, "My next ID card will be that of the Russian president."

He also said he would become chairman of the legislature's Foreign Affairs Committee as well as Russia's next foreign minister. "If the president of Russia does not give his consent for this, he will be making a political mistake," he said.

In the same appearance, he threatened Japan with war if Tokyo did not accept a peace treaty ending World War II. Since the conflict ended in 1945, the Japanese have never signed a peace pact with Russia because of objections to Russia's presence on the Kuril islands, which Tokyo regards as Japanese territory.

"If you say no to a treaty giving up the Kurils 'it will mean that you want war,' he told a Japanese journalist. "O.K., let's make war. Tomorrow the Russian Pacific Fleet will blockade the Japanese islands and you will die of hunger."

"You will not receive the Kuril Islands. Nobody will receive one meter of Russian territory."

Czechs Opt to Act Alone on NATO Issue

Compiled by Our Staff From Dispatches

PRAGUE—Efforts by some East European nations to forge a united request for early NATO membership faltered Thursday when the Czechs indicated they preferred to do their own negotiating with the West.

"We do not like organizing of pressure groups," Foreign Minister Josef Zelenka of the Czech Republic said.

Hungary, Poland, Slovakia and the Czech Republic had been expected to act together in pressing the North Atlantic Treaty Organization for membership as an extension of their Visegrad economic alliance, named for the Hungarian

town where it was founded three years ago.

The Czech government has been criticized by its three Visegrad partners, especially Poland, for largely accepting the U.S.-sponsored Partnership for Peace, which they say falls well short of the security guarantees needed to ensure regional stability.

"We welcome the project, but we do not consider it ideal," Mr. Zelenka said. "We expect a declaration that NATO is an open alliance."

He said that while the Czech government favored continued work on a free trade zone and economic integration among the Visegrad four, it wanted to maintain political

autonomy in dealings with the West.

Diplomats said the East European countries were coming around to the view that the Partnership plan was better than nothing and that opposing it would yield little benefit.

President Michal Kovac of Slovakia said Thursday that his country appreciated the Partnership initiative and wanted to be an active participant.

In Warsaw, Foreign Minister Andrzej Olechowski of Poland said his country supported the aim of the U.S.-promoted plan while seeking a greater commitment to letting former Warsaw Pact members join NATO.

Hungarian officials have made it clear that they were satisfied, in the short term, with European security arrangements that included both Russia and the Ukraine, which borders on Hungary.

While the four countries share the ultimate objective of full NATO membership, they appear to be at odds on how to achieve it.

The Slovak president suggested that NATO membership should be granted to all four Visegrad countries at the same time, an idea that received a chilly reception from the Czechs.

East European defense ministers are scheduled to meet in Warsaw on Friday to discuss NATO and other issues. (AP, Reuters)

NATO: New Structure, New Roles

Continued from Page 1

six Western European NATO members along with Poland and Hungary—and some officials said that Russia might also be able to take part.

NATO officials said that if the proposal is approved at the summit meeting next week, alliance planners will begin drawing up its details.

U.S. and NATO officials see these forces as a way for former Warsaw Pact nations to cooperate more closely with NATO as part of the Partnership for Peace plan that President Clinton has pushed to tie East European nations closer to NATO.

President Lech Walesa of Poland and other East European leaders have urged instead that NATO

members grant them immediate membership in the alliance.

In many ways, the plan caps efforts begun by the Bush administration two years ago to develop ways to make NATO more responsive to crises.

"The plan institutionalizes a more flexible way of employing allied forces," one official said, adding that the alliance's slow, clumsy response in Bosnia was due in part to NATO's inflexible structure.

Even though some NATO countries might not take part in a specific task force action, the North Atlantic Council would have to approve such an action.

The plan helps satisfy a desire among France and other European nations for Europe to establish a more independent defense identity.

POLICY: Domestic Rationale

Continued from Page 1

tal, Minsk. As is his practice, Mr. Clinton sought to justify the trip on domestic grounds.

The central theme of the speech was that Europe matters to America, and the United States must not yield to the temptation of isolationism.

"The message of the president's trip is very simply this," Mr. Gore said. "In order to be strong at home, we must engage abroad as well. We must work with other nations to get the world's economy growing and open foreign markets."

The vice president did not minimize the threat of nationalism in Russia, a threat that the leaders of Eastern Europe and the Baltics are

citing in their bids for full NATO membership.

"There is also a dark cloud on Europe's horizon," Mr. Gore said. He described it as "fierce nationalism, ignited by old resentments, fueled by economic frustration, fanned by self-serving demagogues."

The most immediate allusion was to Vladimir V. Zhirinovskiy, whose highly nationalistic Liberal Democratic Party scored strongly in Russian parliamentary elections last month.

"It is our duty to condemn the voices of racism and intolerance wherever such voices are heard," Mr. Gore said.

—PAUL F. HORVITZ

Panic Grips Sarajevo as Shells Fall Like Rain

Compiled by Our Staff From Dispatches

SARAJEVO, Bosnia-Herzegovina—Sarajevans cowered in fear Thursday as a thunderous Serbian bombardment drove people from the streets and their jobs.

"For Sarajevo, this is one of the worst days since the beginning of the aggression," the state-run Bosnian radio reported. "The whole city is under artillery fire from all Serbian positions around it."

Sarajevo's two hospitals reported two dead and 42 wounded, including a pregnant woman, and the toll clearly was much higher. The known death toll in Sarajevo is at 35 since Jan. 1.

After a morning of shelling, streets were virtually empty as panicked citizens stayed indoors, and the crackle of machine-gun and small arms fire sounded through the city.

Employees of the Bosnian state presidency were forbidden to leave their battered office building and prepared to spend the night there for the first time since the siege of Sarajevo began almost 21 months ago, officials said.

The shelling overshadowed United Nations reports Thursday that civilians are starving in Bosnia. A UN military spokesman, Major Idehald van Biesebroek, said all warning parties were equally guilty of interrupting food supplies.

"In the area of Kakanj, many villages have been found starving from hunger," he said.

"We believe this is significant for a lot of villages all over Bosnia, not only in Muslim-held territory, but also in Croat- and probably in Serb-held territories as well," he said at news conference.

"Some children are very close to starvation," he added.

Larry Hollingworth, a senior official of the UN High Commissioner for Refugees, said the agency had managed to deliver only 10 percent of food needed in central Bosnia in November, and just under 18 percent in December.

The fighting in Sarajevo came just a day after Croatian and Bosnian leaders met in Vienna for two days of peace talks. They pledged "firm efforts" to stop the war in central Bosnia but stopped short of ordering a new cease-fire.

Reporters who witnessed the fighting on Thursday in Sarajevo said it was the heaviest in many weeks so close to the city center.

Although much of the artillery fire has been directed at frontline positions, hundreds of rounds have hit civilian areas in the city.

Despite the bombardment, friends and relatives gathered to bury six family members who were killed by a single shell blast as they sat down for a meal on Tuesday.

"Does anybody in the world care or have nightmares because of what happened to us?" cried Maja Dragovic, 16, one of the few surviving relatives.

■ **Aid to War Crimes Panel**

The United States announced Thursday that it would provide \$25 million and make available investigators, prosecutors and other personnel to the special UN tribunal that has been set up to try those responsible for war crimes in the former Yugoslavia. The Washington Post reported from Over, Croatia.

The announcement came after the chief U.S. representative to the United Nations, Madeleine K. Albright, visited the site of a mass grave near Vukovar in eastern Croatia.

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WORLD BRIEFS

UN Wants 15,000 Troops in Somalia

UNITED NATIONS, New York (Reuters)—Secretary-General Boutros Boutros Ghali, will recommend that a reduced force of at least 15,000 troops stay in Somalia after the United States withdraws and that Mogadishu be bypassed as much as possible, a senior UN official said Thursday.

But a report due to be presented to the Security Council within a week will make it clear that offers of even 15,000 troops, mainly from African nations, are precarious because of lack of money to pay for them.

Pakistan and India, part of the current 28,000-member force in Somalia, have promised to stay on, while Zimbabwe, Uganda, Nigeria, Morocco, Tunisia and Egypt are waiting to see if funds are available.

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THE AMERICAS / WHITEWATER AND WHITE HOUSE

POLITICAL NOTES

Medical Group at Odds With Its Lobbyists

WASHINGTON — The political arm of the American Medical Association gives more money, on average, to congressional candidates who oppose the group's positions on important public health issues than to those who support such positions, a new report says.

The report, published Thursday in *The New England Journal of Medicine*, concludes that the political action committee affiliated with the association "contributed more frequently and more heavily" to conservative lawmakers, despite the fact that they often opposed the association's positions on issues like tobacco exports and federal restrictions on abortion counseling.

Dr. Steven S. Shafstain, an author of the report, said the committee, known as Ampac, "inadvertently undermines the public health agenda of the AMA."

In giving money to members of Congress, Mr. Shafstain said, "Ampac emphasizes the economic concerns of physicians more than the excellent public health stands of the AMA itself."

From 1989 to 1992, the study said, the political arm of the association contributed an average of \$13,270 to members of the House of Representatives who opposed the association on three major votes, while "members who sided with the AMA on all three votes received an average contribution of \$8,800."

James S. Todd, executive vice president of the association, said that while the findings were interesting, "no credible conclusions" could be drawn because the study was too narrowly focused and did not consider the full range of the association's lobbying and public affairs activities. (NYT)

New Battle Looms for Budget Amendment

WASHINGTON — Another showdown is set in the long-running drama over an amendment to the constitution that would require a balanced budget. This time, however, President Bill Clinton will weigh in against it with a powerful new argument: Health care reform cannot be achieved if lawmakers must limit spending to match revenues each year as such an amendment would require.

Proponents appear to have momentum in both the House and the Senate, which must each approve the amendment by a two-thirds vote to send it on to state legislatures for final consideration.

In the Senate, which is expected to vote Feb. 22, advocates claim 60 of the 67 votes they need. Only 20 senators have voiced their opposition.

The remaining 20 undecided senators will be under pressure from both camps. This time, unlike efforts to pass a balanced-budget amendment in 1982, 1986 and 1992, the White House will be using its influence against the proposal.

The president favors balancing the budget in principle, but has warned that to do so with an amendment is to use a blunt instrument that would require huge tax increases, enormous reductions in Social Security benefits and "major cuts in Medicare and Medicaid" that would make it impossible to pass meaningful health reform legislation. (LAT)

Clearing the Air on Ex-President's Health

ROCHESTER, Minnesota — Despite being shot and having two potentially serious medical conditions, Ronald Reagan was in good health while he served as president, according to medical records.

The records were released Wednesday and are summarized in the *Journal of the American College of Surgeons* by Oliver H. Beahrs of the Mayo Clinic. Dr. Beahrs has been a medical consultant to Mr. Reagan since 1986 and is a longtime friend of Nancy Reagan's. The journal was edited for 44 years by Mrs. Reagan's father, Loyal Davis.

Much of the information has been revealed before, Dr. Beahrs said, but he and the Reagans wanted the details released to break from a historical course of covering up former presidents' medical problems. (AP)

Quote / Unquote

Bob Dole, the Senate Republican leader, on the death of Thomas P. O'Neill Jr., the former Democratic representative and House leader: "Tip O'Neill was the congressman's congressman and provided great leadership as speaker of the House of Representatives, and certainly will go down in American history as one of the great political leaders of our time. I consider him one of my best friends in all the time I've been in Congress." (AP)

Special Counsel Possible, Reno Says

By Michael Isikoff

Washington Post Service

WASHINGTON — Attorney General Janet Reno suggested Thursday that she would seek court appointment of an independent counsel to investigate Bill Clinton's involvement in Whitewater Development Corp. if Congress, as expected, approves legislation soon to reauthorize the independent counsel statute.

Amid numerous calls for Ms. Reno to appoint a special prosecutor on her own, the attorney general reaffirmed her refusal to do so now, saying at a news conference that such a move "simply doesn't make sense" at the moment because Congress appeared to be on the verge of re-enacting the independent counsel statute.

Depending on the precise wording of the statute, she said, "There might be the possibility for me to petition the court for the appointment of an independent counsel" in the Whitewater affair. But bringing in a special prosecutor now, she added, would only cause "disruption and delay" in the ongoing Justice Department investigation into the matter, especially since the courts may soon be empowered to appoint "even a third person."

Although Mr. Reno declined repeatedly Thursday to commit herself to seeking such an appointment, it was the first time she publicly suggested she would use a new independent counsel law to launch an independent probe.

Bill and Hillary Clinton were partners in the Whitewater real estate development plan in Arkansas with James McDougal, a political backer, and his wife, Mrs. McDougal, the owner of a failed savings and loan that came under investigation by the federal authorities.

Ms. Reno's comments suggested that she was seeking to send a signal to members of Congress and the White House on what has become a sensitive issue within the administration.

Pressure for the appointment of an independent counsel was building Thursday in the wake of new disclosures that a lawyer for Mr. Clinton had discussed the wording of a subpoena for Whitewater-related documents with Justice Department lawyers late last month, shortly before a federal grand jury subpoena was served for the president's material on Dec. 24.

White House aides, who have refused to release these documents to the public, said that they had sought the subpoena to ensure that the

material would not be "leaked" to the media or members of Congress. Federal law forbids unauthorized disclosure of any material that is before a grand jury.

As related by White House and Justice Department officials, the president's lawyer, David Kendall, and Justice Department lawyers discussed the wording of the subpoena on Dec. 23. When the Justice Department informed Mr. Kendall that they already had a draft subpoena for the Whitewater documents, Mr. Clinton's lawyer then suggested that it be even broader. This had the effect of protecting more material from public disclosure.

The sketchy accounts of the talks prompted Republicans to charge that the Justice Department was being used to serve the president's political interests by placing a lid over the Whitewater matter.

The Senate Republican leader, Bob Dole of Kansas, said it was "unprecedented to have the White House and the Justice Department working together on a subpoena."

He added that Ms. Reno had "let the White House take over the investigation, which is a big, big mistake on her part."



Mr. Clinton and his mother, Virginia Kelley, at an inaugural ball.

President's Mother, Virginia Kelley, Dies

The Associated Press

HOT SPRINGS, Arkansas — Virginia Kelley, 70, President Bill Clinton's mother, died of breast cancer Thursday.

Mrs. Kelley, a retired nurse anesthetist, dealt with adversity with a confidence that bordered on cockiness, and friends said Mr. Clinton, who idolized his mother, dealt with personal and political trouble by following her example.

She outlived three husbands, one an abusive alcoholic. She lived apart from Bill, her oldest child, for two years early in his life while she furthered her education so she could "give him the best." She helped her only other child through drug addiction and prison.

With penciled eyebrows, a streak of white in her dark hair, and a passion for nightlife and betting on horses, Mrs. Kelley was a colorful

sidelight throughout her son's career. Of her critics, she said, "Those are the people who are used to women being shrinking violets."

She was first diagnosed with cancer in 1990, just before she started working for Mr. Clinton's re-election as governor. She underwent a mastectomy and was campaigning five days later. Last year, she said she had a recurrence of cancer and was undergoing chemotherapy.

Clay Farrar, the son-in-law of Mrs. Kelley's current husband, said she had lunch with friends Wednesday "and literally, out of the blue, passed away in her sleep."

Mrs. Kelley was born Virginia Cassidy in Bodaw, a small community about 12 miles (19 kilometers) from Hope, often extending credit to poor blacks or ignoring their bills altogether.

After high school she went to nursing school in Shreveport, Louisiana, where she met and married William Jefferson Byrnes, a salesman. He died in a car accident about four months before the future president was born.

Two years later, Mrs. Kelley moved to New Orleans to specialize in anesthesia at Charity Hospital, leaving her young son, Bill, with her parents in Arkansas.

"He deserved the best," she said. "I wanted to be able to give him the best."

In 1950, she married Roger Clinton, a car dealer from Hot Springs. It was a troubled marriage, in large

part because of his alcoholism. He never struck the children, but he did hit his wife until his stepson put an end to it at age 14.

Mrs. Kelley said young Bill broke up a quarrel by yanking into his parents' bedroom and saying, "Don't ever strike or lay a hand on my mother ever again. Not ever."

Roger Clinton died of cancer in 1967. Her third husband, Jeff Dwier, a hairdresser, died of diabetes after about six years of marriage.

She married a retired food broker, Richard Kelley, in 1982. They lived in a small lakeside home in Hot Springs.

Tip O'Neill, 81, Former Speaker of U.S. House

By Martin Tolchin

New York Times Service

Thomas P. (Tip) O'Neill Jr., 81, an unrepentant New Deal liberal from Massachusetts who rose to become speaker of the U.S. House of Representatives for 10 years, died of cardiac arrest Wednesday night in Boston.

Republicans made Mr. O'Neill a target of their 1980 and 1982 campaigns, portraying him as a bloated old pol with outdated liberal ideas. Mr. O'Neill was an old-style poli-

tician and proud of it, a House speaker comfortable with power.

An early opponent of the Vietnam War, Mr. O'Neill took strong positions on many controversial issues. He was the congressional leader who pushed hardest for the impeachment of President Richard Nixon.

Mr. O'Neill was the speaker from 1977 to 1987, during the presidencies of Jimmy Carter and Ronald Reagan, both of whom ran against entrenched Washington of-

ficials and considered him the ultimate insider.

He was a large, generous-spirited man with a bulbous nose, yellowed white hair that flopped over his forehead and an ever-present cigar.

To Mr. O'Neill, who spoke of the Democratic Party with near-religious fervor, it was the party of the commonsense, the working people, the poor, the needy, the unemployed, the sick and the disabled.

Mr. O'Neill's speaking style began in January 1977, the month Mr. Carter became president. About all

they had in common was their party. Mr. Carter had reached the White House as an outsider who disdained Washington insiders personified by the gregarious speaker, who had worked his way up from ward politics.

In 1980, when the Republicans won the White House and the Senate and cut deeply into the House Democratic majority, the speaker privately blamed Mr. Carter, believing him inept.

From 1981 to 1987, Mr. O'Neill led the opposition to Mr. Reagan, a man with whom he shared an Irish heritage, an interest in sports and an outgoing personality.

But the two disagreed about government as the solution to social problems, as an agent of social change. Mr. Reagan regarded it as a problem in itself, interfering in the lives of Americans.

Mr. O'Neill was born in a working-class area of Cambridge, Massachusetts. His father was a Cambridge city councilman. His mother died when he was a child and his father remarried.

He picked up the nickname Tip from a baseball player, James Edward O'Neill of the St. Louis Browns.

Educated in Catholic schools, Mr. O'Neill broke into politics at 15, campaigning for Al Smith in his 1928 presidential campaign against Herbert Hoover. Four years later, he helped get out the vote for Franklin D. Roosevelt.

He was elected to the Massachusetts House of Representatives in 1936, where he rose to speaker, and where he remained until 1952 when, he was elected to the U.S. House.

Tackling Nuclear Mess Makes a Name for O'Leary

By Keith Schneider

New York Times Service

WASHINGTON — Energy Secretary Hazel R. O'Leary was in her office in November when Dan Reicher, a top aide, pulled her out of a meeting and told her he had disturbing news.

"I just found out about experiments you should know about," Mr. Reicher said. "People were injected with plutonium back in the 1940s. There's a newspaper in New Mexico that's about to lay out the whole thing."

Recalling her reaction in an interview, Mrs. O'Leary said: "I said to him, 'Let's get it out. Just throw it on the pile.' It was another piece in our work to come clean."

"The pile," it turns out, was a project Mrs. O'Leary had started in May to begin declassifying millions of Cold War records from Energy Department archives.

At a Dec. 7 news conference, Mrs. O'Leary made the project public by disclosing some closely held secrets about the U.S. nuclear arsenal, such as the amount of plutonium the United States has produced since World War II.

But it was Mrs. O'Leary's vow at the time to follow up a seven-year-old request from Congress and undertake a thorough investigation of her department's human radiation experiments that caused the highest sensation.

Friends and colleagues said Mrs. O'Leary's actions illustrated the melding of instinct and political acumen that have marked her long

career in government and the electric utility industry.

As the first black woman to head the Energy Department, Mrs. O'Leary said she was always sensitive to government-sanctioned policies that were unjust or abusive. When she read in *The Albuquerque Tribune* how government doctors in the 1940s unwittingly exposed five Americans to plutonium without their full informed consent, she said, "It just hurt me."

Among the subjects of the experiments was a 36-year-old railroad porter, Elmer Allen, whose injured left leg was amputated after he was injected with plutonium.

Mrs. O'Leary said: "Mr. Allen appeared so utterly incapable of taking care of himself. My sense was nobody was looking out for Mr. Allen before the testing. He seemed like somebody who had been caught up in a giant machine. Those are the people who ought to be protected by the government from ourselves."

She added: "I was stunned by what I read, and it was clear getting this out was the right thing to do. I think that is the way this government is supposed to work."

So far, many supporters and critics of the department agree that the investigation has been a triumph for Mrs. O'Leary and that it has produced political benefits for President Bill Clinton. As more experiments were disclosed by news organizations, Mrs. O'Leary called on the government to compensate people who had been harmed.

The White House, aware of the

growing attention Mrs. O'Leary was attracting, then broadened the inquiry to include human experiments during the Cold War sponsored by the Public Health Service, NASA, the Department of Veterans Affairs, the CIA and the Pentagon.

In just four weeks, Mrs. O'Leary had transformed herself from a re-

lative unknown into a prominent cabinet member.

"You can't do anything in this agency without trust and confidence," Mrs. O'Leary said in the interview. "But I had no idea that this would be as big a piece of building trust as it has. I thought a narrow public would focus on it."

She went on: "As the days have passed since Dec. 7, I've gotten it. I understand what is going on here. The public, I hope, sees a past which is alarming and appalling. In the long run, if we handle this well, that might help us to establish a reason to be trusted."

It is the sort of story the public

loves but that is rare in Washington: a cabinet official, acting on gut instinct, stands up and takes a bold stand. At this stage, it also is politically easy, since the experiments the government is investigating, administration officials say, occurred years before Mr. Clinton took office.

But behind Mrs. O'Leary's concern for this corner of Cold War medical history lies a host of other projects planned by the Energy Department that carry far higher political price tags. One is a proposal to establish a new nuclear waste storage site in Texas. Another would revamp federal environmental cleanup standards.

It is no longer a secret that the Energy Department, which once was charged with building the world's most advanced atomic weaponry, was hardly a model of precision, tidiness or wholesome conduct. Decades of sloppy operating practices at the agency's network of both factories and laboratories in 12 states have left a landscape littered with radioactive and toxic wastes.

Since 1988, well over \$20 billion has been spent by the department to solve the waste problem, but Mrs. O'Leary said there was little evidence that there had been any improvements.

One reason that the pace has

been so slow is the complexity of federal rules for cleaning up and disposing of wastes, which Mrs. O'Leary said sharply increased costs while doing little to lower risks.

The post-Cold War era also has saddled the Energy Department with the equally daunting task of dismantling the nuclear arsenal and dismantling highly contaminated bomb factories, some of them among the largest concrete and stainless steel structures ever built.

To meet these goals, Mrs. O'Leary said, the administration is proposing to establish at least one new nuclear waste storage site at a plant near Amarillo, Texas, and perhaps others. Mrs. O'Leary acknowledges that she must build the department's credibility to begin solving these formidable problems.

Singapore to Lift Curb On British Publication

Readers

SINGAPORE — Singapore will lift restrictions on the circulation of *The Economist* starting Jan. 15.

Sales of the British magazine were restricted in August to 7,500 after a dispute over the publication and editing of letters from Singapore government officials.

LEADERSHIP IN CHANGING TIMES

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Ex-Business Partner Pleads Not Guilty to Embezzlement

By Howard Schneider

Washington Post Service

WASHINGTON — Susan McDougal, a partner of President Bill Clinton in an Arkansas real-estate venture, has been charged in California with embezzling nearly \$200,000 from the conductor Zubin Mehta and his wife, Nancy.

Mrs. McDougal pleaded not guilty last week in a Los Angeles court to forgery and grand-theft charges stemming from her employment as the Mehtas' personal bookkeeper from 1989 until July 1992. Mrs. McDougal was a part-owner of the Whitewater Development Corp. along with her former husband, James, and the Clintons.

A complaint filed by the Los Angeles District Attorney and a separate civil action brought by the Mehtas allege that Mrs. McDougal forged nearly 300 checks on the Mehtas' account to pay personal restaurant, hotel and other expenses. Following a brief arraignment, she was released on \$35,000 bond and allowed to return to her current home in Tennessee.

The charges are the latest bump in what has been a roller-coaster ride for Mrs. McDougal. During the early 1980s, she was well known in Arkansas as Jim McDougal's partner in the operation of his Madison Guaranty Savings & Loan, where she was a stockholder, board member and head of the thrift's marketing operation.

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Closing date
February 21, 1994

BVG Bodenverwertungs- und -verwaltungs GmbH has been entrusted by the German Privatization Agency (Treuhänderschaft) with the sale and administration of former state-owned land and forestry areas in eastern Germany.

(B-9b) Housing development land "Am Süpinger Berg"

At Haldensleben near Magdeburg, eastern Germany, site area of about 275,202 m² (Bids for plots of at least 6 hectares also accepted).

The historic town of Haldensleben (population of 22,000 and seat of the future district of Beber-Ohr) is located in the northern catchment area of the region of Magdeburg with a population of 450,000. The state development plan of Saxony-Anhalt envisages Haldensleben as a regional centre.

With its sound infrastructure, the town of Haldensleben has attracted well-known major enterprises such as Otto mail-order company (DM 500 million investment in the first phase of construction). This has boosted the local economy and created some 2,000 new jobs. The land is situated on the western edge of town with neighbouring forests.

Location advantages:

- Distance to Magdeburg, the state capital of Saxony-Anhalt, some 20 km, to the motorway Berlin-Hannover 15 km;
- Commuter rail connection to Magdeburg;
- Booming business in the town and surrounding region is creating a strong demand for housing;
- Very good leisure amenities with two large nature reserves (e.g. Colbitz-Letzlinger heath) and a variety of local recreational facilities.

The Town of Haldensleben has decided to prepare a project and development plan for general housing construction in the form of single-storey and two-storey buildings.

Full details are available from the Central Tender Office to be contacted under the following address. The attached terms and conditions apply.

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Israel and PLO Agree to Renew Talks

By David Hoffman
Washington Post Service

JERUSALEM — Israel and the Palestine Liberation Organization agreed Thursday to resume the stalled negotiations on carrying out Israel's military withdrawal from the Gaza Strip and West Bank town of Jericho, but a final agreement appeared to be weeks away.

In a joint statement by Foreign Minister Shimon Peres and Abu Mazen, a top aide to the PLO chairman, Yasser Arafat, the two sides announced plans to return to the bargaining table at the Egyptian Red Sea resort of Tabu, probably early next week.

[Meanwhile, Israel said it would release more than 100 Palestinian prisoners on Friday morning, Reuters reported. An army spokesman said all the prisoners were members of Palestinian groups that back the peace deal signed between Israel and PLO last September. All of them were due to finish their sentences by the end of January, he added.]

The announcement of a resumption of peace talks ended a dispute over the outcome of the last Israel-PLO meeting in Cairo.

Mr. Peres accused the Palestinians of backpedaling from a draft paper outlining compromises on such issues as control of the border crossings between Egypt, Jordan and the new Palestinian entity. But the Palestinians said they had never agreed to the document.

The two sides said they would now go back to the table on the basis of the Cairo "understandings" as well as the original "declaration of principles" negotiated secretly in Norway. The announcement also included a pledge by both sides that "once an agreement is made, it cannot be changed unilaterally."

The negotiations are aimed at paving the way for Israel to begin pulling troops out of Gaza and Jericho, a process that was supposed to

have started Dec. 13 and to be completed by April 13.

But Prime Minister Yitzhak Rabin signaled Thursday that he would demand a complete resolution of all differences with the Palestinians even if future deadlines are missed.

"There are no sacred dates," Mr. Rabin said during a visit to the Allenby Bridge crossing between Jordan and the West Bank. "Every phase has to be negotiated, agreed, signed and only then be implemented."

He added: "I don't see any major problem in postponing. The dates are secondary to the purpose of the whole agreement."

Mr. Rabin issued another warning to the Palestinians not to try to reopen issues that have been settled at the table. If they did, he said, "We will not feel we are committed to what we said on certain issues."

A senior Israeli official said the talks would take several weeks or longer to conclude, because of the complexity of the issues. The major outstanding disagreements include the mechanics of shared supervision of the border crossings, and the size and shape of the Palestinian enclave in Jericho.

Mr. Arafat has sought exclusive control of the border crossings as well as control over the roads leading to them. Israeli news media disclosed this week that construction had already begun on a new Israeli bypass road around Jericho that would appear to circumscribe the new Palestinian entity on the east, denying the Palestinians control over a direct corridor to the Allenby Bridge.

The new bypass is designed to permit Israelis, destined for northern part of the Jordan Valley, to drive around Jericho. At present, they have to pass through the center of town. Since the abortive Dec. 12 meeting between

Mr. Rabin and Mr. Arafat in Cairo, the two sides have held meetings in France, Norway and Egypt in an effort to narrow differences.

The negotiations next week are to be headed by a PLO negotiator, Nabil Shaath, and by Amnon Shahak, the deputy Israeli Army chief of staff.

Also Thursday, violence flared as a Palestinian stabbed an Israeli soldier in north Jerusalem, and was shot and killed by other soldiers. The assailant plunged a knife into the soldier, grabbed his gun and ran, the police said. He was then slain by pursuing troops.

The authorities said they found a leaflet on the body of the Palestinian, who was a Gaza resident, saying he was a member of the militant Islamic Jihad group, which opposes the peace accord.

Arafat Holds Line on Power

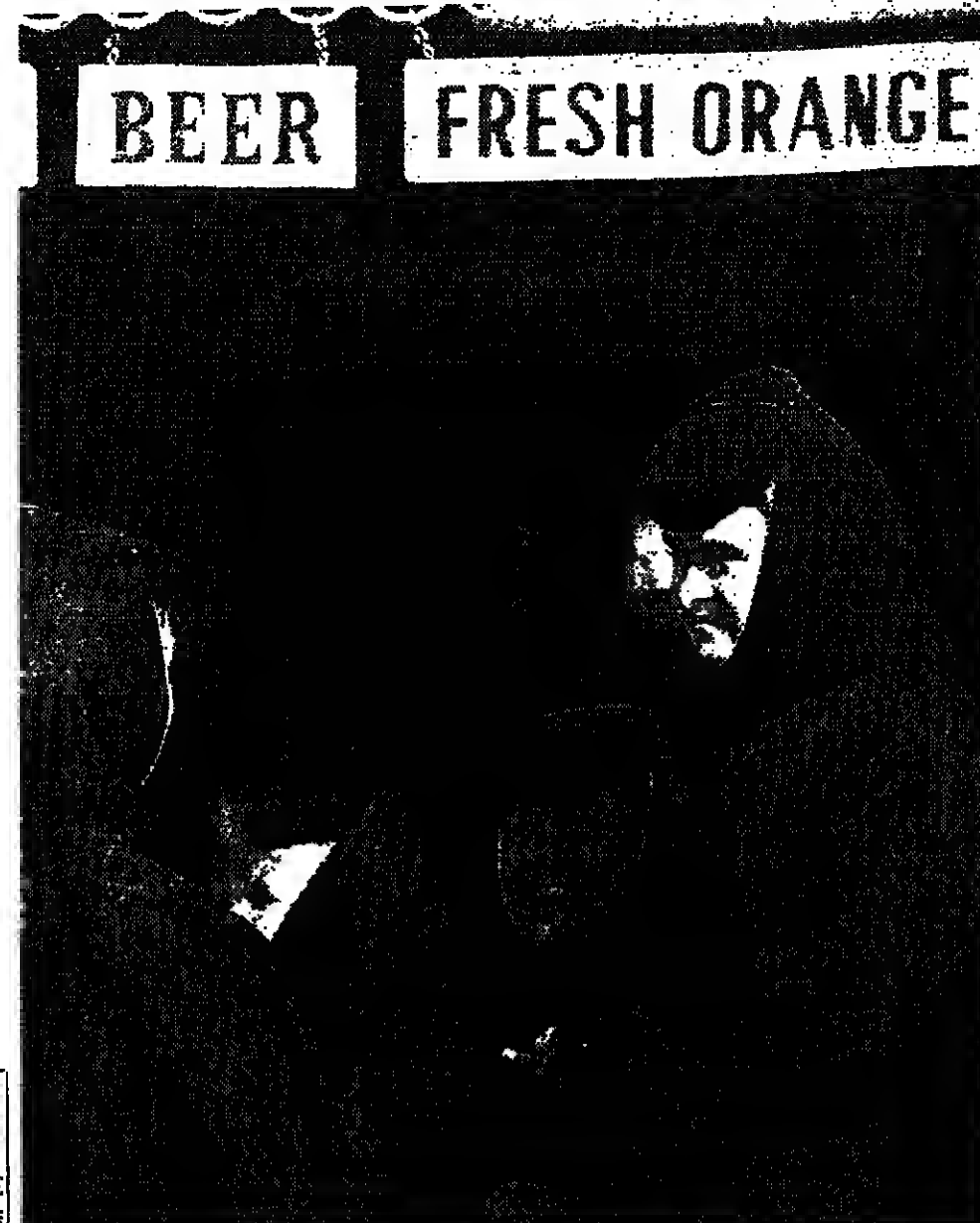
A leading Palestinian critic of Mr. Arafat's autocratic leadership of the PLO said Thursday that the chairman had rejected all demands for democratic reform in the movement. The Associated Press reported from Tunis.

"Chairman Arafat keeps the decision-making in his hand," said Haidar Abdul Shafi, the head of the Palestinian delegation at the 1991 Madrid peace conference.

He made his remarks after leading a group of seven dissidents from the Israeli-occupied territories in two days of talks with Mr. Arafat. Their mission to PLO headquarters followed a chorus of attacks on Mr. Arafat's handling of the peace process.

Last weekend, King Hussein of Jordan and Israeli leaders accused Mr. Arafat of reneging on promises during the negotiation process.

The Palestinian dissidents complain that Mr. Arafat is keeping too much authority for himself.



FEAST DAY FEAST — Russian Orthodox nuns in Bethlehem waiting to get into a restaurant for a meal before an Epiphany procession Thursday among Greek, Russian, Syrian and Coptic churches.

Crime Fight Joined by U.S. Travel Industry

By Robert C. Siner
International Herald Tribune

WASHINGTON — The U.S. travel industry, hard hit by public reaction to violent crimes against tourists, announced a safety campaign Thursday that would include information for travelers and a concentrated lobbying effort for the Clinton anti-crime bill, stronger gun control and legislation that would make attack on tourists a federal offense.

In outlining the campaign, industry officials stressed that no progress could be made without a partnership that includes the travel industry, government at all levels and the traveling public itself.

At a news conference following a meeting of representatives from government and all branches of the tourism industry, business officials said they would make safety information available under the heading "Travel Smart in the '90s."

The campaign will make the case through statistics that despite widespread publicity following violence against foreign tourists, travel in the United States is safe.

According to Greg Farmer, who has been named to head the Commerce Department's United States Travel and Tourism Administration, the chances of a tourist being the victim of violent crime in the United States are more than 1,000 to 1.

Dick Knodt, executive vice president of the American Society of Travel Agents, said the campaign would also involve gathering safety information for travelers now provided by auto-rental agencies, airlines and the hotel industry, and making it widely available to travel agents in all major languages.

Mr. Knodt said the travel industry had signed on to the Clinton administration anti-crime package and also would lobby for state and local initiatives "that address both the causes and effects of crime in America."

Ken Hine of the Hotel and Motel Association added, "We have to do something about guns." The travel industry went on record supporting strong gun-control legislation at all levels.

There was also support for the Traveler Protection Act introduced by Representative Neil Abernethy, D-Calif., which would require a federal offense and give states and localities the option of asking for federal help in solving and prosecuting these crimes.

Malaysian to Command UN Forces in Somalia

Reuters

KUALA LUMPUR — A Malaysian Army general has been appointed commander of United Nations peacekeeping operations in Somalia, Defense Minister Najib Razak said Thursday.

The general, Abu Samah Abu Bakar, will take over the leadership from Lieutenant General Cevik Bir of Turkey on Jan. 20. Mr. Najib said Malaysia had 1,733 soldiers in Somalia, but might send more as other nations pull out.

EUROPEAN TOPICS

Basel's Catholics Seek Protestants' Advice

The Roman Catholic diocese of Basel has called all Christians in its district — Protestants as well as Roman Catholics — to help it choose a new bishop.

The current bishop, Monsignor Otto Wüst, is resigning for health reasons, and the church says any inhabitant of the region is free to nominate a successor. "If Protestants write to us," a spokesman said, "their opinions will be valued."

The diocese's 18 canons will vote for a candidate, whose name will be sent to Pope John Paul II for confirmation. If the Pope rejects the name, the selection process begins anew. The procedure, which is without modern parallel, has its roots in accords worked out at a time when Basel's bishop-princes had uneasy relations with Rome.

Around Europe

In Germany, up to now smokers' paradise, some politicians are proposing a ban on smoking in the workplace and most public places. Its fate is uncertain.

Roland Sauer of the Christian

Democratic Party plans to introduce a bill this month to limit smoking to designated areas in airplanes, on subways, in larger restaurants and at the workplace.

He has support from about 40 other legislators, including Social Democrats and Free Democrats.

But smoking also has its vocal supporters in Germany. When Luthansa, the national airline, banned smoking on domestic flights, it had to relent amid the public outcry. And unlike in the United States, it is rare for a nonsmoker to berate someone for lighting up in public.

Scaffolding will cover the face of Paris's Notre Dame Cathedral through this year and part of 1995 as a restoration project, begun last year, moves to the 69-meter (225-foot) north and south towers and the upper parts of the facade. At the same time, a study will begin on repairing the intricate sculpted portals — once multicolored against a gilt background, but now of unadorned stone. A stone-cutting atelier has been set up behind the apse of the cathedral, which dates from 1163. Only irreparable stones and sculptures will be replaced. The cathedral will remain open throughout the work.

Wind-powered generators in Britain should produce sufficient energy to supply 10 million people by the end of the century, according to a survey by the British Wind Energy Association.

Nineteen wind farms in England and Wales met the electricity needs of 150,000 people last year. The British government recently extended into the next century a levy on nonfossil fuels that helps finance wind farm construction.

A veterinary surgeon was sentenced to a year's hard labor in Albania for naming cattle after prominent Communists in his village, an Albanian magazine said. Liria, a weekly published by an association of former political prisoners, said the case showed that political conditions had changed little since the fall of the Communist dictatorship in 1990.

Bettino Craxi, the former Italian prime minister whose career was ruined by allegations of corruption, has suffered a new disgrace: the word *crazzismo* is being removed from the dictionary.

Giancarlo Oli, editor of the prestigious dictionary *Devoto-Oli*, said the era of *crazzismo* — which is a synonym for political decisions — was over. Mr. Craxi responded characteristically to Mr. Oli's criticism, saying, "I think the imbecile who made the decision to remove the word is as big an imbecile as the one who decided to include it."

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North Korea Hasn't Budged On 2 Nuclear Sites, U.S. Says

By R. Jeffrey Smith

WASHINGTON — Washington is no closer now than it was early last year to winning North Korea's acceptance of a key U.S. demand for additional inspections at two undeclared nuclear sites, according to a State Department official.

Undersecretary of State Lynn E. Davis, who generally gave an upbeat assessment of talks between the two countries, acknowledged that they were close to an agreement on some nuclear matters that would trigger widening the scope of their negotiations and moving them to a higher diplomatic level.

She also confirmed press reports that North Korea had agreed to another inspection of its seven declared nuclear facilities and said North Korean officials were expected to meet with the International Atomic Energy Agency in "the coming few days" to work out details of the new inspection.

Discussing the long-running U.S. effort to stymie North Korea's development of a nuclear arsenal on Wednesday, she said that North Korea had recently given Washington "reason to believe" it was prepared to renew a direct dialogue with South Korea about the creation of a nuclear-free Korean peninsula.

In Seoul, Reuters reported that President Kim Young Sam said Thursday that North Korea was beginning to show signs of changing its position on nuclear inspections but that the world should not be over-optimistic.

"We can expect that real progress toward solving the issue will be made soon," Mr. Kim said at a news conference. "Of course, we must not become too optimistic."

"I am not able to disclose details of what has been achieved so far in talks between the United States and North Korea," the South Korean president said. "But I can only say they are moving toward progress."

Ms. Davis did not say how rapidly North Korea and South Korea would renew their talks or exactly when an inspection of the seven sites would begin.

Referring to North Korea's promise to accept a new inspection and begin Korean talks, she said Washington was "very close" to having accomplished the "key demands" it had spelled out as conditions for discussions between senior diplomats. North Korea had sought such discussions as a forum for agreement on new economic and political ties with Washington.

Officials said her statement was meant to counter growing criticism of the administration's handling of

the talks with North Korea and rebut an impression that the administration had retreated from an insistence on wide-ranging, repeat inspections of all North Korea's nuclear-related sites.

"I think there's been some confusion here," she said at the department's regularly scheduled briefing for reporters. She said that Washington would insist in any new, high-level talks on resolving "once and for all our outstanding issues with respect to the nuclear policies of North Korea," including demands by the United States and the International Atomic Energy Agency for additional inspections of both declared and undeclared nuclear facilities there.

President Bill Clinton, at a White House meeting with editorial writers and columnists Wednesday, also described as inaccurate any suggestion that the administration had retreated to accepting only a single new inspection. Other officials said the issue of more inspections had merely been deferred, not dropped.

Ms. Davis's remarks about a meeting soon between officials of the inspection agency and North Korea were at odds with an account given by David Kyd, spokesman for the U.N. agency in Vienna.

He said that a North Korean official had been noncommittal when the agency proposed Wednesday to convene talks immediately in Vienna about the new inspection, and predicted that the agency would not receive a formal reply from Pyongyang before Saturday.

Also, U.S. officials said she had misstated in telling reporters that Washington had made no decision about its terms for cancellation of a joint military exercise with South Korea, known as "Team Spirit." North Korea has long demanded its cancellation, and Washington has given assurances that its cancellation will be announced when North Korea announces its readiness for another inspection and new talks with South Korea.

Reports of the decision on the military exercise provoked Senator John S. McCain 3d, Republican of Arizona, to denounce the administration Wednesday for giving up too much to get too little.

He said that canceling joint military exercises "for the sake of a single concession which is entirely inadequate as a means of determining the extent of North Korea's nuclear weapons program is without a doubt the worst signal the United States could send."

The U.S. position, Mr. McCain said, let North Korea know in advance "the profits to be realized by proliferation and saber rattling."

U.K. May Test China On Issue of New Airport

Agence France-Press

HONG KONG — The colonial government said Thursday that in the absence of an agreement with China it might proceed with plans to finish a \$2.1 billion airport, a move that would worsen relations between London and Beijing.

Financial Secretary Hamish McLeod said the British administration would, in the near future, discuss with local bodies how to proceed with the project, which was started in 1991.

Mr. McLeod said, "Quite soon, we intend to go to both the Legislative Council committee dealing with the airport and to the Airport Consultative Committee, update them on the position as we see it in terms of both costs and timing, and have a dialogue with them on the best way forward."

He said it was a "statement of fact" that with an anticipated budget surplus this fiscal year, Hong Kong would have more money to spend on public works projects such as the new airport at Chek Lap Kok. "But that doesn't mean that we've reached any conclusion on that," he said. "We haven't."

"We are still awaiting a resolution of the issue of financing, and specifically on the amount of liquidity to inject," Mr. McLeod said.

China questions the expense of the project and has voiced concerns that Britain is using it to siphon money out of the colony prior to the transfer of sovereignty in 1997 by awarding the majority of the contracts to British companies.

Not only does China take a dim view of the expense, but it is adamant that Hong Kong's future government must be saddled with large debts that would result from Britain's hopes of using international capital to finance a part of the project not paid for with extensive Hong Kong government reserves.

The two sides cannot agree on a definition of "large" or on anything else about the project, which has now become mired in the British-Chinese dispute over political reform.

The new airport is one-third completed, but no buildings can be erected without either China's agreement or the approval of the Legislative Council for more money to be spent from government reserves. The latter route is certain to be a controversial move, because Governor Chris Patten's critics could mobilize to refuse the request.



WHERE THERE'S SMOKE — A woman hosing down the walls of the Wombat Park general store on Thursday in Gundeman, 70 miles northwest of Sydney. There were at least 100 bushfires raging out of control in the state of New South Wales, with three people reported dead.

U.S. Visit By Akihito To Include Raid Site

By T.R. Reid

Washington Post Service

TOKYO — Emperor Akihito and Empress Michiko will visit the United States in June, including a stop at Pearl Harbor, according to Japanese news reports.

The trip, which is also expected to include visits to Washington, New York, Los Angeles and San Francisco, will be the first by a Japanese emperor since 1975.

Akihito is responding to the invitation of George Bush, who suggested the visit when he was in Tokyo in 1992.

Palace officials have declined to comment on news reports of the trip. But the reports say that Akihito, 60, and Michiko, 59, will spend about two weeks in the United States in mid-June.

One point of interest during the couple's stop at Pearl Harbor, near Honolulu, is whether they will visit the official memorial to the U.S. soldiers and sailors who died on Dec. 7, 1941, when the Japanese launched their surprise raid on Pearl Harbor. The Arizona Memorial on the site is one of the most popular stops for Japanese tourists.

The current Japanese government has been the most outspoken yet about facing up to Japan's responsibility for World War II.

U.S. Teams in Vietnam Start Search for Remains of MIAs

The Associated Press

HANOI — U.S. teams fanned out Thursday across old battlefields in Vietnam in search of the remains of Americans missing in action. It was the biggest such operation since the end of the war.

The 84 Americans in eight teams have Hanoi's permission to roam the countryside in both the north and south, according to Lieutenant Colonel David L. Fredrikson, a spokesman. The search is to end Jan. 28.

Their efforts took on added significance at a time when the United States is considering moves to further relax or even lift the trade embargo on its former enemy.

Admiral Charles R. Larson, commander of U.S. forces in the Pacific, is to arrive in Vietnam on Jan. 16 to check on the search teams' progress. He will be the highest-ranking U.S. military officer to visit Vietnam since the war ended in 1975.

President Bill Clinton has indicated that his decision on the embargo hinges on progress in getting the fullest possible accounting of the 2,239 remaining MIAs.

Five separate U.S. congressional delegations also are due in Vietnam over the next 10 days to assess progress on the MIA search and to study potential trade relations with Vietnam.

Western diplomats and business people point to recent developments as indicators that the Clinton administration will take some action on the trade embargo this year. Since Mr. Clinton's slightly easing of the embargo last September, a dozen U.S. companies already have registered to bid for about \$500 million in internationally financed highway projects.

U.S. companies are still barred from buying or selling consumer goods and participating in other commercial activities in Vietnam.

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TEXTILES: U.S. Cuts Imports

Continued from Page 1

In 1993, China was the fourth-largest supplier to the United States, with 9 percent of the market. In 1993, it ranked first, with more than 13 percent of U.S. textile and clothing imports.

The dispute over textiles is just one of several dividing Washington and Beijing, including not only trade conflicts but differences over weapons sales and human rights.

On trade, the United States is pressing for greater protection of software, recordings, and publications under regulations regarding intellectual property rights. The Clinton administration also charges that trade barriers to U.S. exports contribute to China's 3.8

million yearly advantage in bilateral commerce.

On weapons sales, a shipment of Chinese missile parts to Pakistan prompted the administration to severely restrict high-technology sales to China.

Finally, there is the continuing battle over China's human rights performance. In May, Mr. Clinton extended China's most-favored-nation trading status for one year, assuring China of the lowest available tariffs on its exports to the United States. However, as part of a deal with to allow this to pass, Congress demanded that China show "significant, overall improvement" in the area of human rights.

If it wants the status extended next year.

4 Nations Protest At UN Over Iraq

UNITED NATIONS, New York

The United States, Britain, France and Russia have protested to Iraq over what they called widespread human rights violations, indiscriminate bombardments of civilians and arbitrary killings.

In a statement Wednesday, they said they told Iraq's UN ambassador, Nizar Hamdoon, that Security Council resolution 688, adopted shortly after the 1991 Gulf War, demanded that Iraq stop mistreating its citizens in the southern marshes and in the northern Kurdish areas.

They also cited a UN human rights report late last year of Iraq's mistreatment of marsh Arabs in the south.

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A Bomb for North Korea?

American strategy for bargaining with North Korea over that country's nuclear program has apparently been altered. U.S. negotiators have subdivided the problem before them. In the first stage of talks as they are now proceeding, the United States means to ensure that North Korea builds no more bombs than it already may have. But that pushes into a foggy future the previous and prime American thrust to ensure that North Korea builds no bombs at all. The United States is deeply concerned that Pyongyang might already have at least one bomb, it is said, but it is even more concerned that it might acquire more.

On Nov. 7, President Bill Clinton said: "North Korea should be allowed to develop a nuclear bomb." Now it is authoritatively suggested that the president mispoke and that what he meant was that North Korea cannot be allowed to become "a nuclear power." The apparent difference is that a nuclear power you need more than one nuclear device and also a delivery capacity. Whether or not the president in fact mispoke, it alters the whole strategic landscape of East Asia if he is moving to live with a North Korean bomb, even if the move is meant to be transient.

Inspections by the International Atomic Energy Agency are the nitty-gritty. North

Korea has been backing off from its obligation as a non-nuclear signer of the Nuclear Nonproliferation Treaty to permit certain IAEA inspections. In the latest round of an extended cat-and-mouse game, North Korea reportedly agreed to onetime inspection of seven declared nuclear sites. But its obligation is to accept not only one but repeated regular inspections, and not only of the seven sites but of the two suspect nuclear waste sites that the Koreans have pronounced off limits.

The Clinton people, in keeping North Korea at the table, seem inclined to "pay" it for doing what it should be doing anyway. But while North Korea stalls, there should be no discussion at all of the terms on which the United States might suspend its "Team Spirit" exercises with South Korea. There should also be no further delay in enlisting Japan and China in tightening sanctions. North Korea is not just some hostile country that could yet be made a neighborly one, but a deviant totalitarian state constituting a menace to peace. Its government is famous for its pathological secrecy and deceptions and for committing horrendous acts of violence against its neighbor in the South. It should not be allowed even to suspect that its possession of a nuclear weapon is negotiable.

—THE WASHINGTON POST

Get Back Into Vietnam

Put aside, for a moment, the emotional claims of a war a quarter-century ago that nearly tore America apart. The best reason to end the U.S. economic embargo on Vietnam is that it no longer serves American interests. With the rest of the world trading freely with Hanoi, the embargo punishes American businesses far more than it punishes the Vietnamese. And if the embargo were effective, it would be perverse. Present Vietnamese economic and foreign policies warrant encouragement, not punishment.

But, as the Clinton administration is again discovering, the emotional claims are not easily put aside. Washington's top Asia diplomat, Winston Lord, recently returned from Vietnam reporting that Hanoi is cooperating in the search for information about Americans missing in action since the war, in exactly the ways Washington has suggested could bring a relaxation of the embargo. The commander of U.S. Pacific Forces, Admiral Charles Larson, will also be visiting this month. But before responding to Hanoi's latest efforts, the administration has decided to consult its political advisers. This news has already restarted the old debates.

Arguing against relaxation are many families of Americans missing in action who feel that Hanoi's cooperation has not gone far enough. While about 2,000 Americans are officially listed as missing in action, all but about 100 are now reasonably presumed to have died in battle or captivity before the end of the war. The fate of the rest is less clear. While both Hanoi and the Nixon administration declared that all surviving American prisoners of war had returned in April 1973,

newly declassified information suggests that the Pentagon believed that some might have been left behind, especially in Laos.

That suggests duplicity, by Washington and probably by Hanoi, which promised to return all Americans held in Indochina. But does it suggest that Hanoi still holds American prisoners? No one has found hard evidence to support such a claim, despite a yearlong Senate investigation and the Pentagon's own search missions under the Reagan, Bush and Clinton administrations. It is understandable that MIA families remain skeptical, given the evidence that they have been lied to. But how long should American policy be driven by suspicion of old misdeeds that no one today can do anything about?

On the other side of the argument is the reality of Vietnam today. It has transformed its economy along capitalist lines. It has abandoned military interventionism. And it enjoys warm relations with such anti-Communist neighbors as Taiwan, South Korea and the Philippines. In many ways it is as if Saigon, not Hanoi, had won the war. Today's Vietnam represents a deferred victory for some of America's original policy goals.

More than two decades ago, when America was agonizing over how to extricate itself honorably from Vietnam with many of those goals unmet, a Republican senator from Vermont, George Aiken, offered a simple suggestion: Declare victory and get out. Today America has a much more attractive option on Vietnam, if only it is bold enough to take it: Declare victory and get in.

—THE NEW YORK TIMES

A Papal Nod to Israel

The formal recognition between the Vatican and Israel ends a diplomatic anomaly and takes some of the bitter sting from a troubled relationship. Yet those troubles still unsettle, as is evident in the Holy See's decision to establish its embassy in Jaffa, which has an Arab identity although it is within Tel Aviv's municipality. Church spokesmen insist that a Franciscan building there was chosen for economic and technical reasons, not to define a political decision between the Vatican and Israel. It is a textbook example of diplomatic euphemism that nobody is expected to believe.

Few issues have caused harder feelings between the Holy See and Israel than the status of Jerusalem. Successive popes have called, before and since Israel's birth in 1948, for internationalization of the Holy City and its sacred shrines. What rankled the founders of the reborn Jewish state was the indifference the Vatican had shown to the Ottoman regime in Jerusalem, when the city was governed by Arabs. When Israel proclaimed Jerusalem as its capital, however, and when the Old and New cities were united by Israeli arms in 1967, the Vatican began re-emphasizing the necessity of internationalizing Jerusalem.

Not just Israelis and not only Jews worried about the Roman Catholic Church's past condoning of anti-Semitism, about Pope Pius

XII's silence during Hitler's war against the Jews, and about the Vatican's reluctance to criticize Arabs — not least for refusing Jews access to their holy places when Jordan controlled East Jerusalem. These old wounds persist despite conciliatory statements by popes and papal conclaves intended to heal by absolving the Jews of blame for the crucifixion of Jesus. But the two ancient religions can now build on a new relationship, because Vatican diplomacy finally matches doctrinal statements on anti-Semitism.

Recognition opens the way for John Paul II to make his first visit to Jerusalem, surely a resonant occasion for the right words on the need for mutual tolerance. And despite past differences between Israel and the Vatican, the presence of a papal envoy will powerfully attest to the permanence and legitimacy of a Jewish state in the Middle East.

Together with Israel's establishment of full relations with China and India, and with the likelihood that Jordan and Morocco will follow suit, the new ties with the Vatican can abate old fears of Arab encirclement and abandonment by an indifferent non-Jewish world. To that extent, the Vatican accord ought to boost lagging negotiations between an overcautious Israeli government and its over-demanding Palestinian partners.

—THE NEW YORK TIMES

Other Comment

A Three-Way Moscow Summit?

The first Russian-U.S.-Ukrainian summit meeting in history might take place in Moscow during Bill Clinton's upcoming visit to Moscow. According to Ukrainian news reports, Leonid Kravchuk has been invited by Boris Yeltsin to come to Moscow.

Mr. Yeltsin's press office and the Russian Foreign Ministry neither confirmed nor denied the information. A U.S. State Department spokesman said that a Clinton-Kravchuk summit was possible only if there

were a breakthrough in the talks on Ukraine's nuclear status.

For Boris Yeltsin, who got U.S. backing in his dispute with Ukraine, Mr. Kravchuk's visit to Moscow would be a big diplomatic victory. It is hard to imagine that the Ukrainian leader will come to Moscow only with the aim of confirming his tough position on Ukraine's nuclear status. It looks as if Ukraine, driven to despair by its economic crisis and realizing its dependence on Russian fuel and gas, is ready for serious concessions.

—Izvestia (Moscow)

Set Criteria for NATO Membership Soon

By Robert B. Zoellick

WASHINGTON — Foreign Minister Andrzej Olechowski visited Washington last month to make Poland's case for NATO membership. This former finance minister, one of the architects of Poland's economic transformation, thought he was coming to the nation that stood by Solidarity in its darkest days, dealt carefully with Poland's anxieties during German unification and led a Group of Seven effort with the IMF to ease the crush of debt on Poland's reformers.

Instead he faced a resolute Strobe Talbott, whose Russia policy informs Poles and other East Europeans that they are once again the lands between the great powers. In his own determined way, Mr. Talbott is one of few high U.S. foreign policy officials who has charted a course in his area of interest and fought to stick with it. The problem is that there has been no strong countervailing force making the case for a European policy separate from Washington's Russian calculations. I hope President Bill Clinton's coming trip to Europe will broaden his perspective about America's interests.

The president could start by giving content to the administration's Partnership for Peace policy, which the Central and East Europeans have recognized, this 1993 initiative does not appear to offer anything beyond NATO's 1991 decision to bring the former Warsaw Pact nations into the new North Atlantic Cooperation Council. The NACC design also included specialized features to draw these nations close to NATO.

The United States should now propose substantive criteria which, if met, would enable at least the Poles, Czechs and Hungarians to qualify for NATO membership over the course of about three to six years. If they meet the standards, these democracies should be brought into NATO at about the same time as they enter the European Union.

The criteria should cover items like acceptance of borders, peaceful resolution of disputes, equal treatment for minorities, fair elections permitting a democratic transfer of power, civilian control over the military, cooperative security policies toward neighbors, anti-proliferation policies that are enforced, a serious defense commitment and a record of productive work with various NATO subgroups.

There are four benefits to this approach. First, the criteria strengthen the hands of democratic reformers within these nations by relating a security payoff to sound policies. Concentration on Russia should not blind the West to its interest in the success of other post-Communist democracies. The Russian priority has already made it impossible for East European reformers to get modest increments of aid.

Second, the pursuit of these policies by the NATO candidates will lead to better ties with their neighbors, strengthening peace and stability in a region that we have seen can precipitate plenty of bloodshed and horror without regard to Russia.

Third, these criteria can help America deal with other U.S. security objectives — including stemming the proliferation of weapons of mass

destruction. The export and arms policies of these nations are important to the United States.

Fourth, the criteria and the timetable give a reasonable response to those who fear that NATO's extension will fuel Russian revanchism. The West is not rushing. It is encouraging the strengthening of stable democracies with sensible security policies next to Russia and Ukraine, a development that should be in everyone's interest.

These benefits need to take into account events in Russia. So let's do so — with a hardheaded analysis. As Russian reformers have told me, the success of Russian democracy will depend on events in Russia — inflation, growth, unemployment, crime, prospects for the future — not on whether Russia is offered a road map for NATO membership over time.

Of course, other Russians, like the intelligence chief Yevgeny Primakov, warn NATO to stay put. But this is the same man who tried to undercut Soviet Foreign Minister Eduard Shevardnadze when the United States and the Soviet Union joined together against Saddam Hussein's invasion of Kuwait. (Mr. Shevardnadze, by the way, whose Russian policy is less indulgent

than Washington's, reportedly believes that NATO would be prudent to take in the new democracies.)

Russians who object to a reasonable extension of NATO over time, based on sound criteria, are never going to be won over. And the West should not shrink from its own interests and those of its non-Russian friends if some Russians try to transform their weakness into a threat. I recognize that Russia's military may have increasing leverage in internal affairs and that some officers might still see America and NATO as hostile. The West should meet their suspicions head-on by substantially increasing military contacts and proposing cooperative ventures with NATO forces. If billions of dollars of Western aid, a rich network of military-to-military ties and efforts to build partnerships, ranging from space exploration to libraries still leave some generals paranoid, then I am even more sympathetic to the East European point of view.

After all, it is useful to consider how the different approaches might play out. If Russia turns authoritarian or endures a long period of political and economic uncertainty, some Russians are likely to want to assert their influence over the lands of

the former Russian or Soviet empires. Then NATO might fear that a move to accept new Eastern members would be perceived as a direct provocation. Without Western bulwarks, factions may arise within the Central and East European nations, as they have in the past, to counter or accommodate the negative forces in their larger neighbors. This response could actually trigger aggression. Ambiguous reactions to instability and insecurity will make matters worse. Signaling uncertainty and lack of commitment will fuel the actions of Russian extremists, not put them to rest. If America pulls NATO back from the major security challenges in Europe, if it accepts the view of unfriendly Russians that NATO is a Cold War instrument, then it has begun to write the epitaph for the most successful alliance of democracies in world history.

Washington should consider carefully the full implications of letting this Russia policy overwhelm Europe policy, because the results are likely to be bad for a Russia in transition as well as for Europe and America.

The writer served as undersecretary of state and deputy chief of staff under President Ronald Reagan during the Bush administration. He contributed this column to The Washington Post.

Yes, NATO Should Expand Eastward

By Janusz Onyszkiewicz

The writer is a member of the Polish parliament and a former minister of defense.

WARSAW — Should NATO expand eastward, and if so, how far? On this issue, the most critical opinions have come from Russia. The arguments raised are basically the following:

- Such an expansion of NATO could isolate Russia.
- Military alliances are always directed against some potential adversary. Thus, any strengthening of NATO is to be seen as affecting Russia's security interests.
- By embracing new members, NATO would create a *cordis senilis* separating Russia from the West.
- Russian public opinion is not prepared for such a move, which could seriously strengthen the radical and neo-imperialist tendencies in Russia.

Let us try to take a closer look at these arguments. The idea that Russia would be isolated seems strange. It is possible to imagine the isolation of a country like Sam

Marino or even Poland, but to think in such terms of, say, Japan or the United States or Russia is ridiculous. Russia is not just a country; it is almost a continent.

The argument about Russia's security interests seems more convincing at first. But if one assumes that any military pact must always be directed against some body, then the common defense system of the Commonwealth of Independent States would have to fall into the same category.

Andrei Kozyrev, the Russian foreign minister, wrote quite recently that "the new Russia, from the very first moment of its birth, declared that it doesn't see NATO even as a potential adversary."

There is no need for reminders as to how essential it is for the NATO countries to develop a good partnership with Russia. Good relations with Russia are crucial for Poland and Hungary also. To think that new NATO members from Central and Eastern Europe would be ready to give their consent to any military adventure against the East amounts to the suspicion that the ruling elites of these countries have lost their feeling for the basic interest of their nations.

The idea that the expansion of NATO would separate Russia from the West can also be dismissed. On the contrary, it should extend the area of stability more to the east, which would be in the interest of Russia.

Regarding Russian public opinion, there are good reasons to suppose that at present Russia has no clear idea about policy toward its former satellites or about the future political and security architecture of the region. Russia is too preoccupied with its domestic agenda and its relations with the former Soviet republics and the West to spare the time and intellectual potential for creating such a policy.

The only concepts still making the rounds in Moscow seem to be either a return to the system of "spheres of influence" or keeping the status quo. But the status quo cannot be maintained for long.

Some of the countries of Central-Eastern Europe at least must have a clear perspective. If there is to be no prospect of anchoring into European and Atlantic political and security structures, there will be a natural temptation to look for other solutions.

A leading Moscow commentator suggests that Central and East European countries, rather than subjecting themselves to the humiliation of the various "maturity tests" they would have to pass to enter NATO, and then having to pay to make their weapons systems compatible with the West's, might want to create a new "Warsaw Pact," but one based on democratic principles.

Others, perhaps more realistically, suggest a similar pact, but without Russia. This alliance could work out agreements on security with both NATO and Russia. (I would note that Ukraine, as a nuclear power, could be seen as an especially attractive asset for this pact.)

But the strongest arguments are in favor of NATO's expansion eastward. Perhaps the most compelling of these is that it would be in the clear security interests of Germany. In the long run, NATO cannot ignore this problem without running the risk that security policies of at least some important members will begin to transgress against the framework of the alliance.

Poland and other East-Central European states want to join the European Union and are moving to do so as soon as economically possible. The logic of the process is that is now fully under way leads directly into the NATO structure, a fact that should be clearly understood in Russia. Endorsement of this prospect is essential not only for stability in Central-Eastern Europe but for the political debate in Russia as well, where the sight of Vladimir Zhirinovskiy waving a map with a Russian-German frontier should be seen for the absurdity that it is.

The Washington Post

The United States Needs a Bigger, Better Europe

By Flora Lewis

PARIS — America, trying to focus on domestic affairs, is only beginning to understand how much it lost in the Cold War. It needs a post-war reconstruction policy just as Russia does, and cannot succeed alone. Foreign policy — as a concept for reliable security — is as essential a component as it was after World War II. The cost of the Cold War must be included in order to grasp where the United States stands in the world and how to proceed.

A crucial element in Britain's rapid decline after World War II came from its attitude toward the outcome of the war. Other countries knew they had been defeated, early or late in the conflict, and faced an enormous task of rebuilding and relaunching their societies. Because it was never occupied, Britain believed that it had won the right to relax. The United States faces a similar temptation as it gropes for ways to deal with the world without a postwar plan.

There is no looming enemy now. But, as the finance-philanthropist George Soros points out, a serious security danger can develop in the East because of internal developments and the inability or lack of opportunity to join the world of open societies. This world of open societies is what the United States needs to rely on in order to get on with its domestic concerns, just as Western Europe needed to rely on the cooperative obligations of the Marshall Plan and NATO to start recovery after the war.

The Clinton administration stresses the valid point that it takes a strong, vigorous United States to bear world responsibilities. It is equally true that the United States requires a reasonably stable, non-threatening world to pursue its long-neglected domestic goals.

President Bill Clinton's coming trip to the NATO summit meeting and then Prague, Moscow and perhaps other points east will focus attention on this connection. The key NATO decision will be the Partnership for Peace, an ambiguous attempt to compromise between East European demands for admission and Russian objections to a way that establishes new ties without new commitments. It is a step in the right direction toward reliving the problem in the East. But Mr. Soros calls it "paltry" and sketches a more ambitious mission "to help with the transformation into open societies."

His plan would make NATO the foundation for a larger political-economic structure to assure a coordinated East-West revival policy. His key insight is that the problem is not relations among the states involved

but the struggles in them as they try to manage change.

It is a kind of Marshall Plan approach and NATO wrapped into one, recognizing the crucial importance of Eastern, particularly Russian, military establishments in the process. It sounds messy, but it is coherent — unlike the bits and pieces of patchwork measures to deal with the new security issues.

Strobe Talbott, designated the new deputy secretary of state, will develop

the framework for foreign policy in the new era. He should consider Mr. Soros's bold outline, along with Senator Sam Nunn's more specific, firm-minded proposals for eventually enlarging NATO without provoking Russia if it remains friendly.

The outrage at the resounding protest vote for Vladimir Zhirinovskiy in the Russian elections has been salutary. It is much better to react before he has any prospect of coming to power than to wait until it may be too

late. But it is also important not to let him become a scarecrow for Boris Yeltsin to use whenever he wants indulgence from the West for unfriendly or too autocratic measures.

For that, the United States has to have a clearer, more concrete war plan than it has yet devised. Such a plan will also clear the way for its domestic programs. The link becomes obvious when you stop to consider that while the United States came out first in the last long conflict, it, too, suffered huge losses.

The New York Times

The U.S.-German Link Still Matters

By Stephen Bierling and Reinhard Meier-Walser

MUNICH — When Bill Clinton visits Europe next week for the first time as president, Germany will not be part of the tour. Some will view that as the proof of the diminished importance of the German-American partnership. They will note that with the collapse of the Soviet bloc, the old rationale for the Bonn-Washington alliance has become obsolete. They are wrong.

Germany and the United States have little choice but to cooperate. Common cultural traditions and a comparable weltschmerz help, though they are not enough to save the relation's special character. Only mutual interests can buttress long-term cooperation — and plenty of those remain.

Security. It took the trigger-happy rhetoric of Vladimir Zhirinovskiy to remind the West that Russia's military potential did not vanish with the Soviet empire. With state authority falling apart in Russia, power may be up for grabs sooner than many Yeltsin supporters believe.

Germany cannot forgo the nuclear umbrella provided by the United States. France and Britain, with their limited capabilities, cannot play that protective role. And for Bonn to go nuclear would be political suicide. Both outcomes run diametrically against America's interest in a stable Europe and a predictable Germany.

Since Bonn and Washington benefit most from NATO, they should cooperate closely to keep it alive. NATO still takes care of U.S. security concerns. And the U.S. presence in Europe helps diminish anger about German power in the heart of the Continent. That, too, serves Germany's well-considered interests.

Stability in Eastern Europe. Despite all the attention to Somalia,

Bosnia, Haiti and North Korea, the West's foremost challenge is in the old East. It is essential for European and global welfare to help democracy and a market economy succeed in Hungary, Poland, the Czech Republic and Slovakia, and to save Russia and Ukraine from economic collapse. The real question is not whether the outside world can influence the fate of the East, but whether it can afford not to try. The two preeminent powers of the West bear a special responsibility in managing this process.

Neither country has the economic resources or the political strength to do it alone. Bonn can support the emerging democracies financially, while Washington deals with the "big issues" like arms control treaties and nuclear proliferation. These policies complement each other, and will have a synergistic effect.

Economic openness. Although the United States trades more goods with the countries of the Pacific Rim than with Western Europe, the latter is still the main locus of direct American investment. The European Union is the biggest U.S. trading partner outside the Americas. Since Washington wants to forestall the emergence of a Fortress Europe, it needs a powerful ally in the European Union.

France, with its traditional protectionist stance, will not play this role. Britain does not have sufficient political clout in the European Union. This leaves only Germany, the world's second biggest trading country. And Bonn needs the United States to counterbalance the protectionist tendencies within the European Union.

Germany's role as mediator between Washington and Paris served all participants well during the final days of the GATT negotiations. This can also help in other areas, for in-

stance in bringing France back into NATO's military structure.

Cooperation between Bonn and Washington will by no means be without friction and frustration. But these have always been around. What counts now is the solidity of those common interests that have outlasted the Cold War. The best days of German-American friendship are yet to come.

The writers teach political economy and international relations, respectively, at the University of Munich. They contributed this column to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Arms for Sicily

ROME — The *Corriere di Napoli* says the Consul of the United States at Palermo has informed the Prefect of Palermo of the arrival there of money and arms from France. The paper adds that various Sicilian banks are receiving cheques from France for persons who cannot be in commercial relations with that country, and that the Consuls of Germany and Austria have notified their Governments of contraband importation of arms on a large scale. The Chancelleries of those Empires, it is said, have warned Italy. It may add that there is a large party here which openly states that France is abetting the Sicilian disorders.

1919: Roosevelt Is Dead

NEW YORK — Former President Theodore Roosevelt died suddenly and quietly this morning [Jan. 6] at Sagamore Hill, his home at Oyster Bay, Long Island. Death resulted from a sudden attack of heart disease, fol-

North Korea Gets a U.S. Surrender

By Charles Krauthammer

WASHINGTON — The Nuclear Nonproliferation Treaty, which North Korea freely signed, requires a country to allow two kinds of inspections of its potential nuclear facilities: regular inspections of self-declared nuclear sites, and challenge inspections of sites undeclared by the host country but suspected by the world of harboring nuclear bomb work.

As America learned to its sorrow in Iraq, regular inspections alone are useless. Which is why last year the International Atomic Energy Agency mandated challenge inspections of two North Korean waste dumps for evidence of weapons-grade plutonium production. North Korea refused. It then announced that it would not allow regular inspections, either.

What did the Clinton administration do? It began a long series of negotiations with the North Koreans offering them all kinds of goodies, most importantly, cancellation of America's joint military exercises with South Korea, if they would come back into compliance with the NPT.

What now is the deal? Does North Korea comply with the NPT? No. Does it allow challenge inspections? No. Does it allow even regular inspections? No. The IAEA will be allowed a one-time inspection of seven declared sites. In return, North Korea reportedly gets something it has wanted for years: cancellation of the "Team Spirit" exercises with South Korea.

"A total rout," says Gary Milhollin, director of the Wisconsin Project on Nuclear Arms Control. As the talks have proceeded, Bill Clinton has systematically abandoned one position after another to the point that Washington is not even talking about things — challenge inspections, even regular inspections — that it was insisting on only months ago. Everyone knows that a single inspection of Potemkin sites is a joke. Why then the pretense?

Because the administration has a problem. It wants at all costs to get this problem off its plate, but the NPT has tough provisions to thwart the temptation to do so. Specifically, when a country reneges on its NPT obligations and refuses inspections, the IAEA declares that "continuity of safeguards is broken." These magic words are supposed to trigger a world response against the violator. But the IAEA to say that, technically, continuity had not been broken. No whistle blows, we pretend that, the NPT is intact, and the crisis goes away.

True, the one-time inspection would do nothing to stop, slow down or even enlighten the world about the North Korean nuclear program. But the point of the Clinton policy is not to stop the administration off the hook. Hence the deal. Result? (1) The NPT is dead. (2) North Korea broke it and got a huge payoff not for restoring it but for pretending to.

Its nuclear program proceeds unimpeded. In Tehran and Tripoli and Baghdad the message is received: Nonproliferation means nothing. (2) The IAEA, if it goes along with this sham, is corrupted beyond redemption. It is supposed to be an impartial referee blowing the whistle on proliferators. Yet if Washington does not want to hear the whistle, the IAEA can be bullied into silence.

(3) American credibility, not very high after Mr. Clinton's about-faces in Bosnia, Somalia and Haiti, sinks to a new low. This is a president easily cowed and dangerously weak. Said one government official to The New York Times, "It's one of these cases where the administration was huffing and puffing and backed down." Better, though, said another, than "falling on our own sword over phony principle." If nonproliferation, so earnestly trumpeted by this president, is a phony principle, then where do we look for real principles?

This administration would not recognize a foreign policy principle, phony or otherwise, if it stepped over one in the street. The State Department, mixing cravenness with cynicism, calls this capitulation "very good news." For Kim Il Sung, certainly. For America, the deal is worse than dangerous. It is shameful.

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هكذا من الأصل

By William Safire

tant to whitewash Whitewater, the report from Pattee, McCarthy omitted the largest transaction undertaken by Mr. Clinton's partnership—a half-million-dollar land purchase from a paper company. Clinton wanted to keep the Clinton company tax breaks.

After the meek, inquisitive press raised a ruckus to produce the Whitewater files, President Clinton was forced to agree to "cooperate" with the investigation of the bank's taxpayer ripoff. He directed his personal lawyer to turn the Whitewater files over to the Justice Department—a far cry from public disclosure.

When the existence of the hidden funds came to light, the Clinton stone wall fell. Hillary Rodham Clinton, attorney for the rotted-out S&L, while her husband was responsible for its regulation, pressed not to understand why anybody would be interested in a deal that kept them \$60,000. But curiously, the Clintons never took that loss, if it existed, off their income taxes; more strangely, they wrongly took other deductions, and the lawyer who worked with Hillary on these returns was Vincent Foster.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to

LETTERS TO THE EDITOR

that he is disregarding our victims. He could have compared the carnage in Bosnia to the loss of life in the civil wars in Angola or in Sudan but never to the "Final Solution" by which the Nazis

ly" (*Meanwhile*, Dec. 24), George F. Will writes: "Franklin Roosevelt discerned Christmas's potential as a countercyclical program and moved Thanksgiving from the last Thursday of the month to the fourth of November in 1939."

for a rather simple technique which, however, was improved in England in recent years. Meanwhile, more sophisticated systems have been developed.

W. SCHROEDER.

Still there

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BELIZE (HOTEL)	556	o NIGERIA (NIGERIAN)	91
BELIZE (HOTEL PRT PAY PHONES)	556	o NORWAY	008-10-877
o BOLIVIA	59-00-823-0877	PANAMA	507-00-1600
o BOSNIA	0000-3333	o PARAGUAY	596-00-1600
BRAZIL	000-0006	o PERU	156
o BRITAIN (UNITED KINGDOM)	1-800-877-0000	o POLAND	0000-480-877
o CANADA	1-800-877-0000	o PORTUGAL	351-00-1-877
CHILE	56-00-877	o PUERTO RICO	1-800-877-0000
o CHINA (PEOPLES REPUBLIC)	86-10-000-0000	o ROMANIA	40-000-877
o COSTA RICA	50-00-81-01	o RUSSIA (RUSSIA)	81-000-85-8223
o CUBA	53-00-00-01	o SAUDI ARABIA	966-00-877
o CYPRUS	354-00-877-007	o SOUTH AFRICA	27-000-88-0001
o CZECH REPUBLIC	0000-0077	SPAIN	34-000-95-0003
o DENMARK	1-800-798-7977	o SW. LOUIS	387
o DOMINICAN REPUBLIC	171	o SWEDEN	46-000-877
Ecuador	591	o SWITZERLAND	41-000-877
o EL SALVADOR	502-00-0004	o THAILAND & THAI	66-000-877
o FRANCE	33-000-0000	o THAILAND & THAI	66-000-877
o GERMANY	49-000-0000	o TUNISIA	21
o GREECE	30-000-0000	o TURKEY	90-000-4-477
o GUATEMALA	502	o U.S. AIR MAILS	0000-1-877-0000
o HONDURAS	504-000-0000	UNITED KINGDOM	0000-800-877
o HONGKONG	852-000-5-0000	o UNITED KINGDOM (PT)	0000-800-877
o HUNGARY	36-000-5-0000	o U.S.A.	1-800-877-0000
o ITALY	39-000-1-877	o U.S. VIRGIN ISLANDS	1-800-877-0000
o JAPAN	81-000-1-877	o UZBEKISTAN	0000-877
o JAPAN (INTERNET)	81-00-777	o VENEZUELA-ENGLISH	58-00-1177
o JAPAN (INTERNET)	81-00-777	o VENEZUELA-SPANISH	58-00-111-1
o JAPAN (INTERNET)	81-00-777		

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7-1-94

'94 Outlook for Cutting Travel Costs

By Roger Collis
International Herald Tribune

THE message from the business community to the travel trade for 1994 and beyond is this: We are learning to stretch our travel dollar not by traveling less but by traveling smarter. There has been a sea change in the ethos of the business traveler since the Gulf War. Executives are now traveling as much—if not more—than before the recession. Companies are sending more people out on the road to seek new business and meet customers in more

The Frequent Traveler

competitive times. But they are also taking more aggressive steps to control travel costs. "Companies have learned that you do not have to spend the same amount on travel to achieve the same results—in getting an executive there at the right time and in reasonable condition," says Richard Lovell, managing director of Wagons-Li Travel in London. "The level of spending for some companies is 30 to 40 percent higher than this time last year but there's still the same urge to save money. Travelers are learning to live with building business from the back of the aircraft."

"I think people are overall trading down—particularly in medium and small companies," says Andrew Gray, managing director of Air UK at Stansted Airport. "And big companies are putting pressure in terms of wanting value for money and all sorts of kickbacks. But they still travel in business class."

Whether the message has reached the travel trade—especially airlines—is arguable. British Airways holds firm to its strategy of premium "brands": first and business class on long-haul routes and business class in Europe (scheduled for a major relaunch "in 1994"), in the fervent hope that the premium market is going to bounce back. (BA reckons that one business traveler could be worth as much in terms of revenue as five or six passengers in economy.) Downgrading has been reflected in a calamitous decrease in airlines' yields—profit per mile per passenger. Major airlines have had "yield dilution" of up to 30 percent in the last year.

WHILE business travelers are cabin-hopping—from first to business class, and from business to economy—airlines have resorted to an array of promotions and deals, from free upgrades and half-price companion fares to two-for-one in first or business when you pay the full fare.

These desperate short-term measures have devalued the airlines' class system. First class (costing about twice the business-class fare) seems set to disappear. Denizens of the front cabins are mainly upgraded business-class travelers along with off-duty airline staff. American Airlines will operate a new two-class service on two of its 17 daily flights from Britain to the States from Jan. 31. Everyone moves up a class. Passengers paying a business-class fare will sit in the old first-class cabin; while business class is to be reserved for full-fare economy passengers.

This is really formalizing current deals and promotions, and reflects what Virgin has done with its Mid-Class (for full-fare economy) and All Nippon with Yutani Class. Sabena has converted its first class into a full-fare economy class. Savvy travelers know how to move up a class by cashing in frequent-flier points or buying a consul-



lation ticket (a discounted full fare) and save up to 50 percent. The class war in Europe has focused on rewarding the business traveler with a sustained-off section of economy with the same narrow seats and legroom and a few fills: the idea being to force the business traveler to pay top dollar for a flexible ticket. I recently paid \$628 (about \$940) for a round-trip in business class from Nice to London with British Airways. I can buy a round-trip to Dallas for that kind of money.

But business-class (fully flexible) fares are set to fall this year on many major routes within Europe by around 30 percent. Look for discount business fares—for people willing to sacrifice some flexibility in return for a ticket costing up to 40 percent less and which you can upgrade without penalties.

More competitive business fares are the welcome consequence of the third European Union liberalization package, which came into force with the single market on Jan. 1, 1993. It enables community airlines to set their own fares, and fly between two other EU states without the need to start or end in their own country. The crucial point is that 10 out of the 15 busiest routes are still only served by the two national carriers with the same high fares.

You are likely to find the cheapest fares on those routes served by British Midland (Heathrow to Paris, Amsterdam, Frankfurt,

Brussels, Nice) and Air UK (Stansted to Amsterdam, Brussels, Paris, Düsseldorf, Frankfurt, Nice). BA offers a choice of business fares in its front cabin, notably a three-day round-trip ticket that saves you up to 35 percent on the full fare. Air UK (with single-cabin service of business-class standard) has pitched full economy fares at 15 to 25 percent less than other carriers.

But it is smaller regional airlines that will seriously improve the quality of business travel—with more services linking small cities with major hubs or with each other. They operate high-tech equipment, like the Saab 340 turboprop, or the BAe 146 whiplash jet. And usually operate a one-cabin service to business class standards. Crossair, for example, the Swiss regional airline, which flies to more than 40 cities, serves a choice of meals, with fine wines poured from a full-sized bottle, and served on fine porcelain with silver cutlery. Deutsche BA (in which BA has a 49 percent stake), with a fast-growing network from Berlin and Munich to points in north, east and southern Europe, offers similar service on its 33-seat Saab 340s. And Conti-Flug serves long-haul style hot meals on its flights between London City and Berlin Tempelhof.

AIRLINE alliances with hotel groups and car rental firms offer great travel bargains. Fly-drive and fly-stay deals can save you 60 percent or more on "walk-up" rates. The BA-Hertz Executive Drive programs apply to about 150 destinations. Show your boarding card for a discount. Avis has a similar deal with British Midland. And Europcar is developing links with many regional airlines.

Hotel rates will become as variable as airline pricing. Room nights will be sold through brokers at prices based on the same yield-management techniques as airlines use—the hotels' equivalent of consolidation fares.

Keeping track of the growing number of frequent-flier plans will continue to be the most exciting management task of frequent travelers. Mileage counting in Europe and Asia is almost as much of an addiction as in North America. Business travel is frequently driven by frequent-flyer priorities. A recent survey among European business travelers by Official Airline Guides, found 20 percent of FFP members had allowed their perks to sway their choice of flights.

But finding your way through a maze of mileage accrual levels and hotel tie-ins, bonus points and deadlines, can be as much of a nightmare as the travel itself. Perhaps by the end of 1994 some 15-year-old computer genius will invent software to unravel all of the FFPs.

DO'S AND DON'TS

- Competition**
Do try to fly a route served by at least three competing airlines.
- Consolidation Tickets**
Do shop around for consolidation tickets. Call the airline for the name of its "consolidator." Chances are they will tell you.
- Regional Airlines**
Don't forget to check regional airline services for more convenience and comfort.

- Package Deals**
Do look out for fly-drive and fly-stay deals.
- Single Cabins**
Do consider carriers with single cabin service. Nobody will know that you are on a cheap ticket.
- Frequent-Flier Promotions**
Do look for FFP promotions: triple and even quadruple miles, plus short-term tie-ins with other airlines, car rental firms and hotels.

BOOKS

THE HISTORY OF HELL

By Alice K. Turner. 275 pages. \$29.95. Harcourt Brace.

THE FORMATION OF HELL: Death and Retribution in the Ancient and Early Christian Worlds

By Alan E. Bernstein. 392 pages. \$32.50. Cornell University Press.

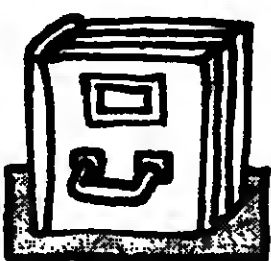
Reviewed by Frances Taliaferro

THESE are lean times for eschatologists, or so it seems to the general reader. Whatever grand theological controversies may be raging behind seminary walls, out here we're unaware of them. Perhaps the "last things" that are eschatology's darker subjects—death, judgment and damnation—are so painfully manifest in every day life that a look at the morning headlines or the evening news is, in Emily Dickinson's phrase, "all we need of hell."

In any case, hell's foundations are long since established, the landscape well mapped, the conventions familiar. The violent theology of a phrase like "Hell's Angels" has lost its power to horrify. As far as popular culture is concerned, hell is verbally trivialized—as in "I had a taxi ride from hell"—and visually domesticated: It's the stuff of New Yorker

WHAT THEY'RE READING

• D. M. Thomas, poet and novelist, is reading "The Last Investigation" by Gaston Foutz. "Though I'm not an American, Kennedy was everyone's president in a sense. Foutz was an investigator for the House Select Committee, which effectively continued the Warren Commission cover-up, and he writes with intelligence and indignation." (JHT)



cartoons and Halloween costumes. Two new books suggest, however, that (at least in publishing) hell is an idea whose time has come. "The History of Hell" by Alice K. Turner and "The Formation of Hell" by Alan E. Bernstein are intellectual histories for the general reader, both proceeding from the premise that the concepts and mythology of hell developed gradually over the centuries and were the work of many contributors. Here the similarity ends.

Turner's generously illustrated "History of Hell" is a lively popular introduction to views of the other world from ancient Sumer to the present, with a rich concentration on the middle millennium of hell's history. Making no scholarly claims, she describes her investigation as "geographical rather than theological or psychological," though she browses in the latter fields.

Turner has served as fiction editor of Playboy since 1980; this worldly experience seems to have sharpened her visual imagination and her ability to render in practical language the complexities of this very subject. She exercises a gift for vivid analogy, as when she compares medieval "vision literature" to modern reports of UFO abductions, and a dry humor informs such statements as this: "One of the less savory notions of the early Church was that of the abominable fancy, the idea that part of the joy of the saved lay in contemplating the tortures of the damned."

Turner is interested in the sort of quirks that bother you and me and even the theologians. Some ostensibly trivial theological problems are actually quite substantial, like the geographical location of "Abraham's bosom"; other questions suggest the what-ifs that occur to seventh graders on a rainy Friday day. (Would food that you consumed during your lifetime be part of your body at resurrection? Yes. Well then what about cannibalism?)

"The History of Hell" turns out to be a capsule history of Western civilization as seen from one particular point of view, and a rich anthology of general information about both literary and visual.

"The Formation of Hell" is the first installment of a projected multivolume work on the history of hell from the Bible to Dante. Alan E. Bernstein, associate professor of history at the University of Arizona, is a medieval historian and a first-rate elucidator whose method is close reading of carefully selected texts. This book lacks both the illustrations and the dashy tempo of Turner's "History of Hell," but Bernstein's careful commentary gradually builds an absorbing history, well supplied with scholarly footnotes. I am not likely to pursue references to the Journal for the Study of Judaism in the Persian, Hellenistic and Roman Periods, but I found that I wanted my own Bible near at hand so that I could look things up. Surely this is the kind of response that Bernstein hoped to encourage when he chose to write for a general audience.

The historical period of this volume is limited, but the subject is vast. Bernstein renders it manageable by concentrating on the tension between "neutral death" and "moral death," the two most common options in the ancient world. "Neutral death" assigns the dead to a "morally neutral storehouse," "a pallid half-life without either reward or punishment," as in the Hades of Greek religion and (initially) the Sheol of Judaism. "Moral death," however, provides a "subdivided, mapped under world, zoned" according to ethical principles, in which the righteous are refreshed and the wicked are tormented. The Egyptian land of the dead was such a place.

"The Formation of Hell" is not a quick fix for the idle reader, but it rewards sustained attention and makes a good, sober partner for the chatter "History of Hell."

Frances Taliaferro, who teaches English at the Brearley School in New York, wrote this for The Washington Post.

THE ARTS GUIDE

BELGIUM

Brussels
Musée d'Art Ancien, tel: (2) 508-32-11, closed Mondays. Continuing To Feb. 27: "Les XX et La Libre Esthétique, Cent Ans Après." Features the works exhibited under the aegis of the two audacious Belgian associations between 1884 and 1914. Includes works by Saurat, Bernier, Ensor, van de Velde and Chirpoff, among others.

BRITAIN

London
British Museum, tel: (71) 323-8525, daily. To Feb. 13: "Damon of Painting: The Art of Kawanabe Kyōsai, 1831-1889." More than 100 of Kyōsai's paintings, drawings, woodblock prints and illustrated books.
Royal Opera at Covent Garden, tel: (71) 240-1200. Bizet's "Carmen." Directed by Nuria Espert, conducted by Jeffrey Tate, with Danyca Graves, Neil Shickoff/Richard Margison and Leonard Vachon. Jan. 21, 24, 27, 29 and Feb. 2.

FRANCE

Paris
Centre National de la Photographie, tel: 53-78-12-31, closed Tuesdays. Continuing To Feb. 7: "Verne: Photographies de Mode des 18ème et 20ème Siècles." Fashion photographs including works by Larigue, Sarah Moon, Nader, Newton and Irving Penn.

Musée d'Orsay, tel: 40-49-48-55, closed Tuesdays. Reopening/Jan. 11 to Feb. 13: "Nabokov: Bonnard, Vuillard, Maurice Denis, Vellution, 1888-1900." 300 works by the group of young artists who exhibited together in the last decade of the 19th century and whose common style was partly derived from Gauguin's flat pattern compositions. Fans, screens, tapestries and illustrated books are included.

Strasbourg
Opéra du Rhin, tel: 88-75-48-00. Gluck's "Iphigénie en Tauride." Conducted by Louis Langrée, with Sylvie Brunet and John Hancock. Jan. 16, 22, 24, 26 and 28.

GERMANY

Berlin
Museum für Volkskunde, tel: (30) 83-01-1, closed Mondays. Continuing To Jan. 30: "Von Koke zu Plöck: Sozialkulturelle im Wandel." Documents the arts and traditions of the South Sea islands.

Nuremberg
Germanisches Nationalmuseum, tel: (911) 13-31-0, closed Mondays. Continuing To Jan. 30: "Henry van de Velde." Paintings, drawings, jewelry and architectural models by the Belgian architect and designer.

Staatstheater, tel: (711) 1-97-03. Verdi's "Rigoletto." Conducted by Ingo Metzmacher, with Gabriel Sade, Wolfgang Bohne and Gattiana Smith. Jan. 20 (premiere), 23, 26 and 31.

ITALY

Venice
Museo Correr, tel: (41) 52-06-288. Continuing To April 4: "Pietro Longhi." 50 paintings, 35 drawings and 14 prints by the 18th-century Venetian painter famous for his ironical description of Venetian life and manners.

JAPAN

Tokyo
Sogo Museum of Art, tel: (45) 465-2381, closed Tuesdays. To Jan. 30: "Daimyo Culture: Treasures from the Hosokawa Family." Features portraits, Noh and tea ceremony utensils, calligraphy and furniture of the Edo period from the private collection of the family of the current prime minister.

NETHERLANDS

Amsterdam
Muziektheater, tel: (20) 6-255-455. Mozart's "Le Nozze Figlie." Conducted by Graeme Jenkins, with Bruce Ford, Teresa Ringholz and Christina Schafer. Jan. 12, 14, 16, 19, 21, 24, 26 and 28.

gerard der Gouden Eeuw: Noord-Nederlandse Kunst 1580-1820" 350 works of art from the "Dawn of the Golden Age," including paintings by Avercamp and Frans Hals, as well as tapestries, furniture, silver and glass items of the same period.

PORTUGAL

Lisbon
Lisboa 94. As European Cultural Capital of the year, Lisbon will offer various exhibitions at the Museu Nacional de Arte Antiga, the Museu Nacional dos Azulejos, the Museu do Chiado and the Centro Cultural de Belém. The Coliseu, the Teatro S. Luis and the Auditorio da Fundação Gulbenkian will host ballet performances by Portuguese and foreign companies (including Marce Cunningham, Pina Bausch and Sanjiv Jyoti). The musical program will include Portuguese operas commissioned for this celebration and several Benjamin Britten productions as well as performances by foreign orchestras (the London Symphony, the Oslo Symphony Orchestra and the Czech Philharmonic).

SPAIN

Madrid
Museo Nacional Centro de Arte Reina Sofia, tel: 467-50-02, closed Tuesdays. Continuing To Jan. 13: "Vienna 1900." Emphasizes the far-reaching influence of Vienna on literature, architecture, art and music.

CROSSWORD

ACROSS

- Six-Day War commander
- Music makers
- Paul Fusco TV role
- Oregon city
- First name in tennis
- My
- Chico, really
- Common vow
- Shorkel, for one; Abbr.
- Rocky Road servings
- Chair person?
- Gauge
- Chan portrayer
- Flummox
- Like some polyemials
- Bud's buddy
- St. John's player
- Reps.
- Blow it
- Bubby of the N.F.L.

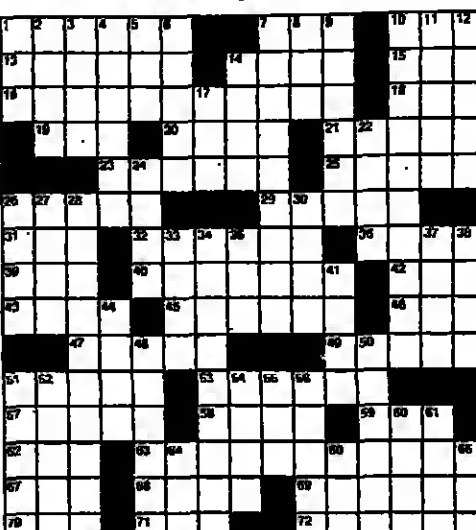
DOWN

- string
- Squares
- Yearbook sign
- S or E: Abbr.
- "All My Pretty Ones" poet
- "Goodbye, Columbus" star
- Burdened
- Arctic finger
- Pucks
- Impresses
- Satum's end?
- Now Sad native
- Steinfelds
- Film producer — Schary
- Simon LaBon's band
- Like Nash's — lama
- Buttupen stats
- Outmoded items
- "No —" (menu phrase)
- Fish haul
- Practice with a palooka
- Charlie Hustle
- Ruffie
- Of nobility
- Polve's mate
- Lemon and orange, e.g.
- Hel up
- Airport pickup

Solution to Puzzle of Jan. 6

BLIAN CALES FAME
RUBE OBESE JUIE
ASTIA REACT OTTO
THE GOTHIC PROTS
TOU BERO
TAMEO PAP ASCIL
ARES ODRMER HOD
CELT OTTER HONE
ITO STEING ASIS
TENTH NET RECT
ROOT UTE
ABOUTFINOSABONE
SAICE MAIRE ERIC
PIES ATTAR LEON
SCOT NESTS LOON

New York Times Edited by Will Shortz



Puzzle by Fred Papp

- Sparkle
- Barely talks
- Word for a person on the go?
- What George couldn't tell
- Letters before a state name, perhaps
- Cagney role
- Gazetter data
- Feln
- Sci-fi suffix
- Carte start
- Wings of a sort

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Following the considerable success of their first event, *International Fund Investment* and the *International Herald Tribune* are convening their second major global fund management conference in Zurich on March 23-24, 1994. As before, the conference will offer a platform for debate between a large number of the world's leading asset managers and economists.

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- Derivatives

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BRIDGE

By Alan Truscott

MICHAEL RADIN of Manhattan and Michael Kopera of Brooklyn, New York, won both Grand National titles this year, a rare double.

In the diagrammed deal, Radin and Kopera were East and West and they used a hypermodern opening idea that would be prohibited in nearly all other pairs contests. Two spades showed 6-10 points with either both black suits or both red suits, and the bidding quickly revealed the latter.

Both sides bid vigorously to the six level, and West was about to play six diamonds doubled. This would have hinged on the opening lead, failing after a club lead but making after anything else since South was marked with the heart king.

But North retreated, and the size of the penalty in six spades doubled became the issue. The declarer was in some danger of losing two heart tricks and one in each black suit. He ruffed the opening diamond lead and played high trumps. East held up his ace twice, aiming to restrict entries to the dummy, and won the third round.

South ruffed another diamond, and it might seem that he could have made 10 tricks by cashing a top club and then crossing to dummy with his last trump to take a club finesse. That would have failed because of the internal block in the club suit: South inevitably wins the fourth round in dummy and cannot score his last club.

Instead, South cashed his top clubs and played a third club. East was forced to lead a heart, and South guessed right, playing low

from his hand and escaping for down two.

NORTH
♠ J 6 4 2
♥ 7 8 8
♦ 6 3
♣ J 10 7 6

WEST (D)
♠ A 10 7 5 2
♥ Q 10 8 8 5 4 2
♦ A 4
♣ K Q 10 9 8 5

EAST
♠ A 7
♥ Q 8 3
♦ A K J 7
♣ Q 9 6

SOUTH
♠ K Q 10 9 8 5
♥ K 4
♦ —
♣ A K 5 3 2

East and West were vulnerable.
The bidding:
West North East South
2♣ Pass 2NT 4♣
3♦ Pass 4♦
5♦ Pass 5♦
6♦ Pass 6♦
Pass Pass
Pass Pass

West led the diamond nine.

NYSE

Thursday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. See The Associated Press

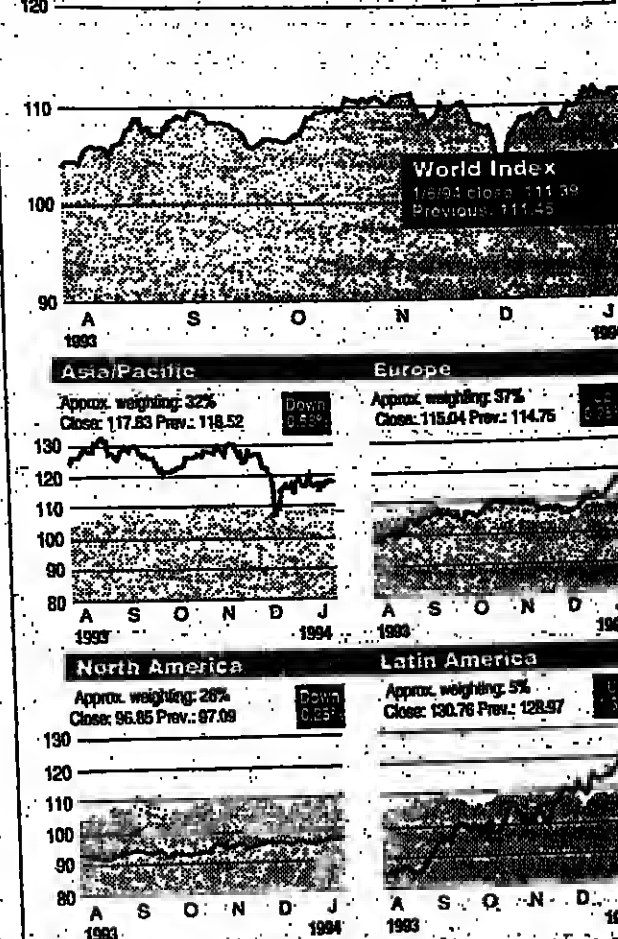
12 Month High Low Stock Div Yld PE Ratio

12 Month High	12 Month Low	Stock	Div	Yld	PE Ratio
100.00	90.00	IBM	3.00	3.00	15.00
120.00	110.00	Microsoft	0.00	0.00	20.00
80.00	70.00	Apple	0.00	0.00	25.00
60.00	50.00	Oracle	0.00	0.00	30.00
40.00	30.00	Sun	0.00	0.00	35.00
20.00	10.00	Novell	0.00	0.00	40.00
10.00	5.00	Lotus	0.00	0.00	45.00
5.00	2.00	Intuit	0.00	0.00	50.00
1.00	0.50	Visa	0.00	0.00	55.00
0.50	0.20	MasterCard	0.00	0.00	60.00
0.20	0.10	Discover	0.00	0.00	65.00
0.10	0.05	Amex	0.00	0.00	70.00
0.05	0.02	Bank of America	0.00	0.00	75.00
0.02	0.01	Wells Fargo	0.00	0.00	80.00
0.01	0.00	Citigroup	0.00	0.00	85.00
0.00	0.00	JPMorgan Chase	0.00	0.00	90.00
0.00	0.00	Goldman Sachs	0.00	0.00	95.00
0.00	0.00	Morgan Stanley	0.00	0.00	100.00
0.00	0.00	JP Morgan	0.00	0.00	105.00
0.00	0.00	Bank of New York	0.00	0.00	110.00
0.00	0.00	MetLife	0.00	0.00	115.00
0.00	0.00	Prudential	0.00	0.00	120.00
0.00	0.00	AIG	0.00	0.00	125.00
0.00	0.00	Travelers	0.00	0.00	130.00
0.00	0.00	MetLife	0.00	0.00	135.00
0.00	0.00	Prudential	0.00	0.00	140.00
0.00	0.00	AIG	0.00	0.00	145.00
0.00	0.00	Travelers	0.00	0.00	150.00
0.00	0.00	MetLife	0.00	0.00	155.00
0.00	0.00	Prudential	0.00	0.00	160.00
0.00	0.00	AIG	0.00	0.00	165.00
0.00	0.00	Travelers	0.00	0.00	170.00
0.00	0.00	MetLife	0.00	0.00	175.00
0.00	0.00	Prudential	0.00	0.00	180.00
0.00	0.00	AIG	0.00	0.00	185.00
0.00	0.00	Travelers	0.00	0.00	190.00
0.00	0.00	MetLife	0.00	0.00	195.00
0.00	0.00	Prudential	0.00	0.00	200.00
0.00	0.00	AIG	0.00	0.00	205.00
0.00	0.00	Travelers	0.00	0.00	210.00
0.00	0.00	MetLife	0.00	0.00	215.00
0.00	0.00	Prudential	0.00	0.00	220.00
0.00	0.00	AIG	0.00	0.00	225.00
0.00	0.00	Travelers	0.00	0.00	230.00
0.00	0.00	MetLife	0.00	0.00	235.00
0.00	0.00	Prudential	0.00	0.00	240.00
0.00	0.00	AIG	0.00	0.00	245.00
0.00	0.00	Travelers	0.00	0.00	250.00
0.00	0.00	MetLife	0.00	0.00	255.00
0.00	0.00	Prudential	0.00	0.00	260.00
0.00	0.00	AIG	0.00	0.00	265.00
0.00	0.00	Travelers	0.00	0.00	270.00
0.00	0.00	MetLife	0.00	0.00	275.00
0.00	0.00	Prudential	0.00	0.00	280.00
0.00	0.00	AIG	0.00	0.00	285.00
0.00	0.00	Travelers	0.00	0.00	290.00
0.00	0.00	MetLife	0.00	0.00	295.00
0.00	0.00	Prudential	0.00	0.00	300.00
0.00	0.00	AIG	0.00	0.00	305.00
0.00	0.00	Travelers	0.00	0.00	310.00
0.00	0.00	MetLife	0.00	0.00	315.00
0.00	0.00	Prudential	0.00	0.00	320.00
0.00	0.00	AIG	0.00	0.00	325.00
0.00	0.00	Travelers	0.00	0.00	330.00
0.00	0.00	MetLife	0.00	0.00	335.00
0.00	0.00	Prudential	0.00	0.00	340.00
0.00	0.00	AIG	0.00	0.00	345.00
0.00	0.00	Travelers	0.00	0.00	350.00
0.00	0.00	MetLife	0.00	0.00	355.00
0.00	0.00	Prudential	0.00	0.00	360.00
0.00	0.00	AIG	0.00	0.00	365.00
0.00	0.00	Travelers	0.00	0.00	370.00
0.00	0.00	MetLife	0.00	0.00	375.00
0.00	0.00	Prudential	0.00	0.00	380.00
0.00	0.00	AIG	0.00	0.00	385.00
0.00	0.00	Travelers	0.00	0.00	390.00
0.00	0.00	MetLife	0.00	0.00	395.00
0.00	0.00	Prudential	0.00	0.00	400.00
0.00	0.00	AIG	0.00	0.00	405.00
0.00	0.00	Travelers	0.00	0.00	410.00
0.00	0.00	MetLife	0.00	0.00	415.00
0.00	0.00	Prudential	0.00	0.00	420.00
0.00	0.00	AIG	0.00	0.00	425.00
0.00	0.00	Travelers	0.00	0.00	430.00
0.00	0.00	MetLife	0.00	0.00	435.00
0.00	0.00	Prudential	0.00	0.00	440.00
0.00	0.00	AIG	0.00	0.00	445.00
0.00	0.00	Travelers	0.00	0.00	450.00
0.00	0.00	MetLife	0.00	0.00	455.00
0.00	0.00	Prudential	0.00	0.00	460.00
0.00	0.00	AIG	0.00	0.00	465.00
0.00	0.00	Travelers	0.00	0.00	470.00
0.00	0.00	MetLife	0.00	0.00	475.00
0.00	0.00	Prudential	0.00	0.00	480.00
0.00	0.00	AIG	0.00	0.00	485.00
0.00	0.00	Travelers	0.00	0.00	490.00
0.00	0.00	MetLife	0.00	0.00	495.00
0.00	0.00	Prudential	0.00	0.00	500.00
0.00	0.00	AIG	0.00	0.00	505.00
0.00	0.00	Travelers	0.00	0.00	510.00
0.00	0.00	MetLife	0.00	0.00	515.00
0.00	0.00	Prudential	0.00	0.00	520.00
0.00	0.00	AIG	0.00	0.00	525.00
0.00	0.00	Travelers	0.00	0.00	530.00
0.00	0.00	MetLife	0.00	0.00	535.00
0.00	0.00	Prudential	0.00	0.00	540.00
0.00	0.00	AIG	0.00	0.00	545.00
0.00	0.00	Travelers	0.00	0.00	550.00
0.00	0.00	MetLife	0.00	0.00	555.00
0.00	0.00	Prudential	0.00	0.00	560.00
0.00	0.00	AIG	0.00	0.00	565.00
0.00	0.00	Travelers	0.00	0.00	570.00
0.00	0.00	MetLife	0.00	0.00	575.00
0.00	0.00	Prudential	0.00	0.00	580.00
0.00	0.00	AIG	0.00	0.00	585.00
0.00	0.00	Travelers	0.00	0.00	590.00
0.00	0.00	MetLife	0.00	0.00	595.00
0.00	0.00	Prudential	0.00	0.00	600.00
0.00	0.00	AIG	0.00	0.00	605.00
0.00	0.00	Travelers	0.00	0.00	610.00
0.00	0.00	MetLife	0.00	0.00	615.00
0.00	0.00	Prudential	0.00	0.00	620.00
0.00	0.00	AIG	0.00	0.00	625.00
0.00	0.00	Travelers	0.00	0.00	630.00
0.00	0.00	MetLife	0.00	0.00	635.00
0.00	0.00	Prudential	0.00	0.00	640.00
0.00	0.00	AIG	0.00	0.00	645.00
0.00	0.00	Travelers	0.00	0.00	650.00
0.00	0.00	MetLife	0.00	0.00	655.00
0.00	0.00	Prudential	0.00	0.00	660.00
0.00	0.00	AIG	0.00	0.00	665.00
0.00	0.00	Travelers	0.00	0.00	670.00
0.00	0.00	MetLife	0.00	0.00	675.00
0.00	0.00	Prudential	0.00	0.00	680.00
0.00	0.00	AIG	0.00	0.00	685.00
0.00	0.00	Travelers	0.00	0.00	690.00
0.00	0.00	MetLife	0.00	0.00	695.00
0.00	0.00	Prudential	0.00	0.00	700.00
0.00	0.00	AIG	0.00	0.00	705.00
0.00	0.00	Travelers	0.00	0.00	710.00
0.00	0.00	MetLife	0.00	0.00	715.00
0.00	0.00	Prudential	0.00	0.00	720.00
0.00	0.00	AIG	0.00	0.00	725.00
0.00	0.00	Travelers	0.00	0.00	730.00
0.00	0.00	MetLife	0.00	0.00	735.00
0.00	0.00	Prudential	0.00	0.00	740.00
0.00	0.00	AIG	0.00	0.00	745.00
0.00	0.00	Travelers	0.00	0.00	750.00
0.00	0.00	MetLife	0.00	0.00	755.00
0.00	0.00	Prudential	0.00	0.00	760.00
0.00	0.00	AIG	0.00	0.00	765.00
0.00	0.00	Travelers	0.00	0.00	770.00
0.00	0.00	MetLife	0.00	0.00	775.00
0.00	0.00	Prudential	0.00	0.00	780.00
0.00	0.00	AIG	0.00	0.00	785.00
0.00	0.00	Travelers	0.00	0.00	790.00
0.00	0.00	MetLife	0.00	0.00	795.00
0.00	0.00	Prudential	0.00	0.00	800.00
0.00	0.00	AIG	0.00	0.00	805.00
0.00	0.00	Travelers	0.00	0.00	810.00
0.00	0.00	MetLife	0.00	0.00	815.00
0.00	0.00	Prudential	0.00	0.00	820.00
0.00	0.00	AIG	0.00	0.00	825.00
0.00	0.00	Travelers	0.00	0.00	830.00
0.00	0.00	MetLife	0.00	0.00	835.00
0.00	0.00	Prudential	0.00	0.00	840.00
0.00	0.00	AIG	0.00	0.00	845.00
0.00	0.00	Travelers	0.00	0.00	850.00
0.00	0.00	MetLife	0.00	0.00	855.00
0.00	0.00	Prudential	0.00	0.00	860.00
0.00	0.00	AIG	0.00	0.00	865.00
0.00	0.00	Travelers	0.00	0.00	870.00
0.00	0.00	MetLife	0.00	0.00	875.00
0.00	0.00	Prudential	0.00	0.00	880.00
0.00	0.00	AIG	0.00	0.00	885.00
0.00	0.00	Travelers	0.00	0.00	890.00
0.00	0.00	MetLife	0.00	0.00	895.00
0.00	0.00	Prudential	0.00	0.00	900.00
0.00	0.00	AIG	0.00	0.00	905.00
0.00	0.00	Travelers	0.00	0.00	910.00
0.00	0.00	MetLife	0.00	0.00	915.00
0.00	0.00	Prudential	0.00	0.00	920.00
0.00	0.00	AIG	0.00	0.00	925.00
0.00	0.00	Travelers	0.00	0.00	930.00
0.00	0.00	MetLife	0.00	0.00	935.00
0.00	0.00	Prudential	0.00	0.00	940.00
0.00	0.00	AIG	0.00	0.00	945.00
0.00	0.00	Travelers	0.00	0.00	950.00
0.00	0.00	MetLife	0.00	0.00	955.00
0.00	0.00	Prudential	0.00	0.00	960.00
0.00	0.00	AIG	0.00	0.00	965.00
0.00	0.00	Travelers	0.00	0.00	970.00
0.00	0.00	MetLife	0.00	0.00	975.00
0.00	0.00	Prudential	0.00	0.00	980.00
0.00	0.00	AIG	0.00	0.00	985.00
0.00	0.00	Travelers	0.00	0.00	990.00
0.00	0.00	MetLife	0.00	0.00	995.00
0.00	0.00	Prudential	0.00	0.00	1000.00

12 Month High	12 Month Low	Stock	Div	Yld	PE Ratio
100.00	90.00	IBM	3.00	3.00	15.00
120.00	110.00	Microsoft	0.00	0.00	20.00
80.00	70.00	Apple	0.00	0.00	25.00
60.00	50.00	Oracle	0.00	0.00	30.00
40.00	30.00	Sun	0.00	0.00	35.00
20.00	10.00	Novell	0.00	0.00	40.00
10.00	5.00	Lotus	0.00	0.00	45.00
5.00	2.00	Intuit	0.00	0.00	50.00
1.00	0.50	Visa	0.00	0.00	55.00

THE TRIB INDEX: 111.39

International Herald Tribune World Stock Index G, composed of 280 internationally investible stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar value of stocks in Tokyo, New York, London, and other major markets. The index is composed of the 20 top issues in terms of market capitalization, otherwise the top 100 issues are tracked.

Industrial Sectors				Industrial Sectors			
	Jan. 6	Dec. 31	% Chg.		Jan. 6	Dec. 31	% Chg.
Energy	111.97	110.48	+1.35	Capital Goods	111.63	111.65	-0.02
Chemicals	111.94	110.48	+0.25	New Materials	116.50	116.38	+0.18
Pharmaceuticals	112.26	113.38	-0.11	Consumer Goods	98.13	98.12	+0.01
Services	118.51	119.38	-0.73	Miscellaneous	125.42	127.64	-2.22

For more information about the Index, a booklet is available free of charge. Write to: **THE DOW JONES INDEX, 95221, Newbury Circle, Franklin, Ohio 43024.**

For more information about the index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

Hong Kong Plummets As Investors Take Profits

Compiled by Our Staff From Despatches
HONG KONG — Hong Kong stocks took their biggest one-day plunge since the worldwide collapse of October 1987 on Thursday, as a long-expected bout of profit-taking swept the market. The Hang Seng index plunged 793.43 points, or 6.52 percent, to 11,374.50.

The fall wiped out almost a week of breathless gains led for the most part by Japanese fund managers fleeing the country's ailing stock market. Turnover was 13.73 billion Hong Kong dollars (\$1.78 billion), up slightly from the previous day's \$1.34 billion.

"It's been building up for the last few days," said Chris Malpass of Peregrine Securities. "The market was heavily overbought, and really, you're just seeing one or two investors consolidate gains. I don't think there is any particular spark which has caused the sell-off."

The Hang Seng index gained 115.67 percent last year, mostly in the fourth quarter, as American, Japanese and European investors started pouring funds into the market sending daily volume soaring.

Low interest rates in the United States have sent American investors searching for better returns overseas. As China booms, too, investors have been buying Hong Kong stocks to get a piece of the action.

Mr. Malpass said selling was seen across the board and, in particular, in the real estate industry, which has made rapid recent gains. "They are the natural candidates for profit-taking given the substantial fortunes being made," said Mr. Malpass.

Kirk Sweeney, director of research at Lehman Brothers Asia, said in a report published on Thursday that the market will at best be stable for the next few months.

Among blue-chip issues, Jardine Matheson fell 6.50 dollars to 74.45. Cheong Kong lost 3.75 to 45.75. HSBC fell 6 to 108. In the real estate sector, Sun Hung Kai lost 5.50 to 68.50, Hongkong Land was off 3.05 to 28.50 and Henderson Land fell 4.00 to 51.00. (AFP, Reuters)

U.S. Opens Airline Policy Ceiling on Foreign Investors to Rise

Compiled by Our Staff From Despatches
WASHINGTON — The White House proposed Thursday that the ceiling on foreign investment in U.S. airlines be raised to 49 percent from the current 25 percent of voting stock when it announces its new airline policy, industry sources said Thursday.

However, the plan would make the higher investment ceiling applicable on a country-by-country basis. Only those other nations that allow U.S. companies significant minority stakes in their domestic carriers will be eligible, they said.

Current U.S. law caps foreign investment in U.S. airlines at 25 percent of voting stock and 49 percent of non-voting stock.

The government plan would also reform air-traffic operations, reform bankruptcy law and promote a review of unneeded federal airline regulations. But it did not contain the major tax rollback the airlines had sought.

The proposal to raise the investment ceiling closely tracks recommendations made last year by an independent commission created by Congress and the government to study the problems

and competitiveness of the U.S. airline industry. The commission recommended several new initiatives, including a government corporation to administer the U.S. air traffic control system, as well as reducing taxes and user fees paid by airlines and passengers.

"If we can find a way to reduce the inefficiencies in the system, and competitiveness of the U.S. airline industry," the commission said, "it will ensure more competition [and] that will reduce costs to the airlines, which will be passed on to the consumer."

Transportation Secretary Federico F. Peña said on television Thursday.

Mr. Peña said the only tax relief the administration was willing to provide was a previously announced two-year delay in the effective date of new tax on transportation fuels.

help transport 700,000 tons of grain, which is 100,000 tons more than originally planned.

The report, which appeared in a China-funded newspaper in Hong Kong, was denied by an official at the Internal Trade Ministry.

Although there have been no reports of unrest, officials clearly were shocked when grain prices soared in November despite a bumper harvest. Many farmers apparently withheld their crop from the market after the government announced it would raise prices in 1994.

Officials now claim that grain prices have stabilized after several measures were taken to prevent speculation. One report noted that 600 officers now check prices daily at grain stores in Beijing.

The government has warned that inflation, already running at more than 20 percent annually in urban China, could derail ambitious new market-style reforms planned this year. Worries over new taxes that

looked effect Jan. 1 already have triggered a rush to buy color televisions and other household electronics.

Meanwhile, Luo Zhiling, vice chairman of the state planning commission, said Thursday that "the living standard of the vast majority of the people not only will not fall but will improve" in spite of shortages following recent economic reforms. (AP, Reuters)

Chinese to Buy Homes
Embarking on one of its toughest economic reform programs yet, the government will ask residents to buy their homes beginning this year, the official China Daily reported, according to a report from Bloomberg Business News in Hong Kong.

Full-scale housing reform is supposed to start this year and will focus on selling most public housing and raising rents to cover future construction and maintenance costs, the paper said.

Mr. Neukirchen put forward tentative plans for the sale of two of the

Metallgesellschaft Survival Rests On Bank Bailout Metals Giant Cites Losses As High as 3.3 Billion DM

Compiled by Our Staff From Despatches
FRANKFURT — Metallgesellschaft AG, the stricken German metals group and one of Germany's most prominent companies, revealed potential losses Thursday of up to 3.3 billion Deutsche marks (\$1.9 billion) and said it would fail if its bankers did not bail it out.

In addition to a huge loss of 1.8 billion DM for the business year ended on Sept. 30, Metallgesellschaft said it might have to report a loss of a further 1.5 billion DM from risky oil deals in the United States.

Karl-Josef Neukirchen, the new management board chairman, said the company faced insolvency if banks turned down his proposals, which include an injection of about 2.7 billion DM in new equity.

Metallgesellschaft's workers' council wanted of "unforeseeable consequences for the reputation of German industry" if the plan was rejected.

Metallgesellschaft was plunged into crisis in early December when it had to ask banks for extra credit after it was caught off guard by a sharp fall in oil prices. Two top executives were then fired and a further four left the management board.

The company said Thursday it was confident its fortunes could be turned around if a 3.2 billion DM package of capital measures and loans announced on Wednesday was approved by the company's creditor banks.

The banks have until Jan. 12 to approve the package. In addition to the equity injection, banks are being asked to raise their credit lines to Metallgesellschaft by 500 million DM. But analysts were already predicting a sharp drop in the company's shares when trade resumed after a suspension on Thursday.

An earlier balance sheet drawn up by the old management had put the company's loss for the year at 347 million DM, around one-fifth of the new figure. Even that loss had shocked analysts.

Mr. Neukirchen put forward tentative plans for the sale of two of the

vast network of about 250 subsidiaries that make up the conglomerate. It was the 29th-largest company in Germany in 1992.

A television report quoted Mr. Neukirchen as saying the units to be sold were Kolbenschmidt AG, an auto-parts supplier, and "a globally operating mining company with headquarters in Toronto."

That description fits Metall Mining Corp., in which Metallgesellschaft holds 51 percent.

He also said that staff expenditure had to be reduced by between 600 and 700 million DM. Currently the company employs about 58,000.

"We must try to reduce financial debt, which is extremely high, by our own actions and not just through capital measures," he said.

The company said Wednesday after its meeting with creditors, notably banks, that its proposed restructuring and consolidation package was "positively received."

"We are presuming that it will be subscribed by the shareholders," said Helmut Hartmann, a spokesman for Deutsche Bank AG, one of Metallgesellschaft's leading creditors and shareholders.

Ingrid Burkhardt, an analyst at B. Metzler Sohn & Co., said: "Neukirchen is at pains to get all the bad news on the table. At least, I hope it's all the bad news."

"The banks will make sure that the offering goes through," said Ms. Burkhardt. She noted that Deutsche Bank in particular had guaranteed similar operations in other cases in the 1980s.

Although shares in Metallgesellschaft were suspended, bank shares in Germany were sharply lower on Thursday. Dresdner Bank tumbled 9.80 DM to 453 DM and Deutsche Bank fell 10.50 DM to 859 DM.

The stock exchange said Metallgesellschaft shares were suspended only for one day. The share closed Wednesday at 278 DM in screen-based trading and had been trading close to 350 DM before the credit crisis broke. (Reuters, Bloomberg, AFP, AP)

WALL STREET WATCH

Disney's Star Is Rising, Analysts Say

By Callum Henderson
AFP-Expat News
NEW YORK — Analysts are raising their ratings on stock of Walt Disney Co., despite continuing financial problems at Euro Disney SCA, in the belief that Disney's stock price underestimates its exceptional array of media assets and on expectations of strong revenue growth in its film and consumer-product units.

Analysts say the stock price was weighed down last year by increasing losses at Euro Disney, operator of the theme park near Paris, which is currently in talks with its bank creditors.

But Euro Disney's problems aside, they say, Walt Disney, with its array of programming assets including Walt Disney Studios, is well placed to benefit from the arrival of the so-called information superhighway.

Disney has "had a rough ride" because Euro Disney, of which Walt Disney Co. owns 49 percent, has failed to attract as many visitors and generate as much revenue as expected, one analyst said, "but underneath that, it has what this new interactive, digital media market will want — programming content which sells."

Disney should gain substantially from a sharp rise in programming demand expected to result from the development of the telecommunications, cable and media industries into an information and entertainment juggernaut, Sharon Williams, an analyst at Prudential Securities, said.

PaineWebber Inc. recently added Disney to its so-called focus list of 30 stocks rated "attractive" or "buy," saying the company was its top choice among large-capitalization entertainment stocks.

PaineWebber said Disney was "superbly positioned" to benefit from both an increase in film output and a restructuring of Euro Disney.

Morgan Stanley & Co. has raised its rating on Disney to "buy" from "hold," and Salomon Brothers Inc. has also made a buy recommendation on Disney stock.

Margo Vignola, an analyst at Salomon, said that Disney's earnings comparisons

on release of "Beauty and the Beast" should raise video profit by 50 percent for the year ending this September.

Both Ms. Williams and Alan Kassan at Morgan Stanley forecast that Disney will earn about \$2.00 a share in the current financial year, compared with 55 cents a share in the year to September 1993. Before charges for accounting changes and its loss on Euro Disney, earnings last year were \$1.63 a share.

According to Mr. Kassan, from 1986 to 1992, Disney's stock price averaged 20 times its earnings per share. His forecast for the current year puts that price/earnings ratio at 22, which he says would be a record high for the company — but still, he says, a justifiable level, given recent growth in Disney's film and consumer-products units.

Analysts said that, despite an expected rise in travel this year that should boost Disney's theme-park revenues, the theme-parks business was essentially a mature operation, and Disney's revenue and profit growth was likely to come mainly from its film and consumer-products divisions.

"Going forward," Mr. Kassan said, "the film business warrants a higher valuation than in the past, in view of the potential new pay-per-view and foreign revenue streams."

For the year ending September 1993, filmed entertainment and consumer products accounted for 59.7 percent of Disney's revenue.

Ms. Williams said her near-term share-price target for Disney was at least \$50 to \$55 a share. The stock was quoted Thursday at \$45.625, up 75 cents.

She sees long-term annual earnings growth averaging 18 percent and adds that on a cash-flow basis, Disney has an asset value of around \$66 a share.

She said the video release of "Beauty and the Beast" had added almost \$150 million to Disney's operating profit in the year ended in September 1993, and she said the video release of "Aladdin" and the international vid-

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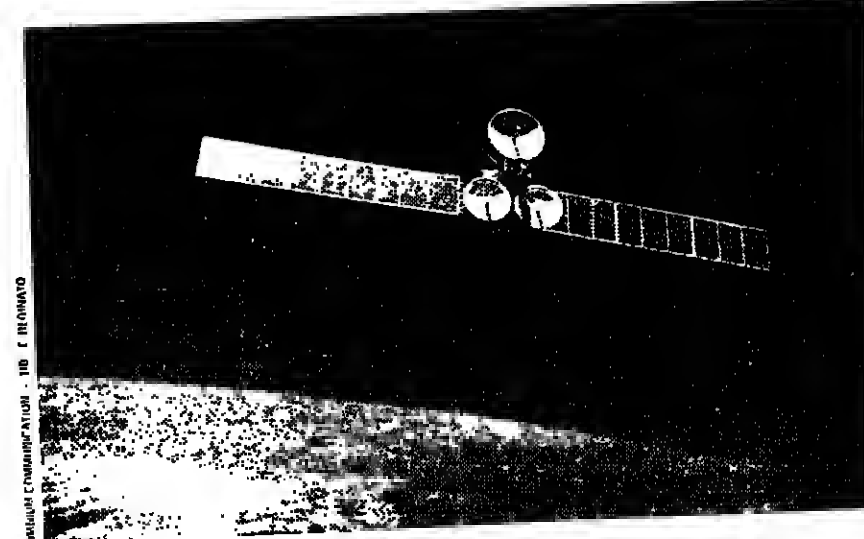
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CURRENCY & INTEREST RATES

Cross Rates										Eurocurrency Deposits									
	Jan. 6	Jan. 5	Jan. 4	Jan. 3	Jan. 2	Jan. 1	Dec. 31	Dec. 30	Dec. 29		Jan. 6	Jan. 5	Jan. 4	Jan. 3	Jan. 2	Jan. 1	Dec. 31	Dec. 30	Dec. 29
Amsterdam	1.36	1.35	1.34	1.33	1.32	1.31	1.30	1.29	1.28	1 month	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4
Bremen	1.36	1.35	1.34	1.33	1.32	1.31	1.30	1.29	1.28	2 months	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4
Frankfurt	1.36	1.35	1.34	1.33	1.32	1.31	1.30	1.29	1.28	3 months	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4
London (a)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	4 months	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4
Madrid	1.36	1.35	1.34	1.33	1.32	1.31	1.30	1.29	1.28	1 year	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4	5 1/4
Paris	1.36	1.35	1.34	1.33	1.32	1.31	1.30	1.29	1.28										
Tokyo	1.36	1.35	1.34	1.33	1.32	1.31	1.30	1.29	1.28										
Yokohama	1.36	1.35	1.34	1.33	1.32	1.31	1.30	1.29	1.28										
Zurich	1.36	1.35	1.34	1.33	1.32	1.31	1.30	1.29	1.28										
1 ECU	1.36	1.35	1.34	1.33	1.32	1.31	1.30	1.29	1.28										
1 SDR	1.36	1.35	1.34	1.33	1.32	1.31	1.30	1.29	1.28										

Changes in Amsterdam, London, New York and Zurich, others in other centers. Paris: not available. N.A.: not available. To buy one euro: To buy one dollar: Units of 100; N.A.: not available. N.A.: not available.



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MARKET DIARY

Bond Rally Brings
Down a Record High

Compiled by Our Staff From Dispatches
NEW YORK — Blue-chip stocks
framed Thursday as investors con-
centrated on a rally in bonds that
was sparked by Labor Secretary

N.Y. Stocks

Robert B. Reich, who suggested job
growth in December had fallen
short of expectations.

The Dow Jones industrial index
topped the barrier of 3,800 for the
first time, climbing 3.6 points, to
3,803.88. It had risen 14.92 points
on Wednesday.

Volume on the Big Board was
about 357.5 million shares, down
from 375.13 million on Wednesday.

Mr. Reich said that the employ-
ment report due Friday would
probably show a gain of 160,000 to
200,000 nonfarm jobs, less than
generally forecast.

The implication that the econ-
omy may not be growing as rapidly
as believed underpinned the bond
market, which would suffer from
inflation that accompanied a
strong expansion. The benchmark
30-year Treasury bond was up
22 1/2 in late trading, at 98 24 1/2.

The yield was quoted at 6.34 per-
cent, down from 6.4 percent.

Although bond investors took the
view that the economy was not as
strong as had been supposed, deal-

ers said there was still considerable
optimism about the economy.

"We believe the strength in the
economy will continue into the first
quarter, despite some of the num-
bers this week," said Robert von
Pant, chief investment officer of
Riggs Investment Management
Corp., which oversees about \$2.5
billion in assets. "The big engines
of economic growth, housing and
autos, are still firmly in place."

Circuit City Stores paced the New
York Stock Exchange activity, fall-
ing 4 1/2 to 17 1/2. The company said
same-store sales, or sales in stores
open at least a year, rose 8 percent in
December. But it also said it expected
its earnings to be flat in the
coming financial year.

Kmart was second followed, off
1 1/4 to 19 1/4. The retail giant said
same-store sales rose 1.1 percent in
December, but the gain was ad-
versely affected by significant de-
clines in the soon-to-be-divested
PACE Membership Warehouse and
PayLess Drug Store businesses.

Adobe Systems led the Nasdaq
active, up 4 1/4 to 26 1/4 after rating
upgrades from Alex. Brown & Sons
and Hambrecht & Quist. After the
market closed Wednesday, the
graphic software maker reported
fourth-quarter earnings of 34 cents a
share, up from 18 cents a year ago.

(Bloomberg, Knight-Ridder, UPI)

Dollar Passes 1.74 DM
But Slips Against Yen

AFP-Euro News
NEW YORK — The dollar rose
against the Deutsche mark and other
European currencies but fell
against the yen Thursday.

Hugh Walsh, a dealer at ING
Bank, said American fund man-
agers entered the market to buy the
dollar against the Deutsche mark
and the Swiss franc even though
the Bundesbank decided not to re-
duce key German interest rates.

Although former interest rates
normally would make a currency
more attractive to investors, he
said, the trend lately in Europe has
been for countries that cut their
interest rates to see their currencies
strengthen, in the expectation that
lower interest rates will help weak
economies recover.

Mr. Walsh said Quantum Fund,
headed by George Soros, had been
an active buyer of dollars at around
1.7370 DM. This, he said, helped
push the dollar through resistance
levels at 1.7400 DM and 1.7425
DM, triggering more buying orders
from bank dealers and customers
eager to take part in its rally.

The dollar closed Thursday in
New York at 1.7446 DM, up from
1.7400 DM at Wednesday's close. It

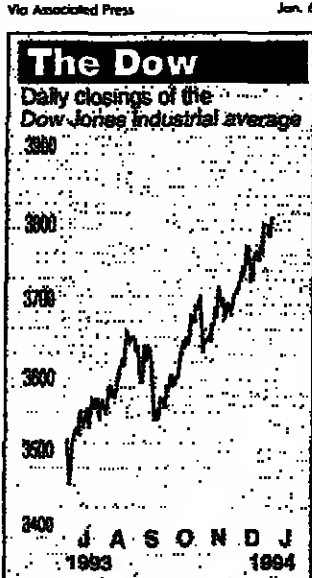
also rose to 1.4820 Swiss francs from
1.4797 francs and to 5.9250 French
francs from 5.9055 francs, though it
eased to 112.60 yen from 113.025
yen. The pound fell to \$1.4813 from
\$1.4875.

Amy Smith, senior foreign-ex-
change analyst for IDEA in New
York, said recent data had shown
the need for a rate cut in Germany
to give the economy a lift. She pre-
dicted the mark would weaken
until the next Bundesbank central
council meeting in two weeks.

"Paradoxically," she said, "when
the Bundesbank does finally cut
rates, the mark should strengthen."

The dollar, meanwhile, retreated
below the 112.90-yen level at which
it was trading before Treasury Sec-
retary Lloyd Bentsen said Wednes-
day that allowing the yen to weak-
en was not an acceptable way out
of recession for Japan.

Lisa Finstrom, an analyst at
Smith Barney Shearson, said Mr.
Bentsen's comment represented a
shot across the bow for the Japanese
government. "She said she believed
the comment had been intended
"basically to make clear to them that
the U.S. will not let them out of their
pledges to open their domestic mar-
kets and to boost growth."



NYSE Most Active

Symbol	Vol.	High	Low	Last	Chg.
IBM	1,255,000	125 1/2	125 1/8	125 1/2	+1/8
Microsoft	1,100,000	54 1/2	54 1/8	54 1/2	+1/8
Apple	850,000	42 1/2	42 1/8	42 1/2	+1/8
Oracle	750,000	38 1/2	38 1/8	38 1/2	+1/8
Amazon	650,000	28 1/2	28 1/8	28 1/2	+1/8
Google	550,000	18 1/2	18 1/8	18 1/2	+1/8
Yahoo	450,000	12 1/2	12 1/8	12 1/2	+1/8
Alibaba	350,000	8 1/2	8 1/8	8 1/2	+1/8
NetScite	250,000	5 1/2	5 1/8	5 1/2	+1/8
Excite	150,000	3 1/2	3 1/8	3 1/2	+1/8

AMEX Most Active

Symbol	Vol.	High	Low	Last	Chg.
Gold	1,200,000	120 1/2	120 1/8	120 1/2	+1/8
Silver	1,100,000	11 1/2	11 1/8	11 1/2	+1/8
Copper	800,000	3 1/2	3 1/8	3 1/2	+1/8
Platinum	700,000	2 1/2	2 1/8	2 1/2	+1/8
Palladium	600,000	1 1/2	1 1/8	1 1/2	+1/8
Rhodium	500,000	1 1/2	1 1/8	1 1/2	+1/8
Iridium	400,000	1 1/2	1 1/8	1 1/2	+1/8
Ruthenium	300,000	1 1/2	1 1/8	1 1/2	+1/8
Osmium	200,000	1 1/2	1 1/8	1 1/2	+1/8
Antimony	100,000	1 1/2	1 1/8	1 1/2	+1/8

NASDAQ Diary

Symbol	Class	Prev.	Chg.
Advanced	1,200	1,200	+100
Declined	1,200	1,200	-100
Unchanged	1,200	1,200	0
New Issues	1,200	1,200	+100

AMEX Diary

Symbol	Class	Prev.	Chg.
Advanced	1,200	1,200	+100
Declined	1,200	1,200	-100
Unchanged	1,200	1,200	0
New Issues	1,200	1,200	+100

NASDAQ Diary

Symbol	Class	Prev.	Chg.
Advanced	1,200	1,200	+100
Declined	1,200	1,200	-100
Unchanged	1,200	1,200	0
New Issues	1,200	1,200	+100

Dow Jones Averages

Open	High	Low	Last	Chg.
INDUS	3803.88	3803.88	3803.88	+3.6
INDUS	1742.15	1742.15	1742.15	+1.2
INDUS	224.15	224.15	224.15	+0.1
INDUS	124.15	124.15	124.15	+0.1

Standard & Poor's Indexes

Open	High	Low	Last	Chg.
INDUS	3803.88	3803.88	3803.88	+3.6
INDUS	1742.15	1742.15	1742.15	+1.2
INDUS	224.15	224.15	224.15	+0.1
INDUS	124.15	124.15	124.15	+0.1

NYSE Most Active

Symbol	Vol.	High	Low	Last	Chg.
IBM	1,255,000	125 1/2	125 1/8	125 1/2	+1/8
Microsoft	1,100,000	54 1/2	54 1/8	54 1/2	+1/8
Apple	850,000	42 1/2	42 1/8	42 1/2	+1/8
Oracle	750,000	38 1/2	38 1/8	38 1/2	+1/8
Amazon	650,000	28 1/2	28 1/8	28 1/2	+1/8
Google	550,000	18 1/2	18 1/8	18 1/2	+1/8
Yahoo	450,000	12 1/2	12 1/8	12 1/2	+1/8
Alibaba	350,000	8 1/2	8 1/8	8 1/2	+1/8
NetScite	250,000	5 1/2	5 1/8	5 1/2	+1/8
Excite	150,000	3 1/2	3 1/8	3 1/2	+1/8

AMEX Most Active

Symbol	Vol.	High	Low	Last	Chg.
Gold	1,200,000	120 1/2	120 1/8	120 1/2	+1/8
Silver	1,100,000	11 1/2	11 1/8	11 1/2	+1/8
Copper	800,000	3 1/2	3 1/8	3 1/2	+1/8
Platinum	700,000	2 1/2	2 1/8	2 1/2	+1/8
Palladium	600,000	1 1/2	1 1/8	1 1/2	+1/8
Rhodium	500,000	1 1/2	1 1/8	1 1/2	+1/8
Iridium	400,000	1 1/2	1 1/8	1 1/2	+1/8
Ruthenium	300,000	1 1/2	1 1/8	1 1/2	+1/8
Osmium	200,000	1 1/2	1 1/8	1 1/2	+1/8
Antimony	100,000	1 1/2	1 1/8	1 1/2	+1/8

NASDAQ Diary

Symbol	Class	Prev.	Chg.
Advanced	1,200	1,200	+100
Declined	1,200	1,200	-100
Unchanged	1,200	1,200	0
New Issues	1,200	1,200	+100

AMEX Diary

Symbol	Class	Prev.	Chg.
Advanced	1,200	1,200	+100
Declined	1,200	1,200	-100
Unchanged	1,200	1,200	0
New Issues	1,200	1,200	+100

NASDAQ Diary

Symbol	Class	Prev.	Chg.
Advanced	1,200	1,200	+100
Declined	1,200	1,200	-100
Unchanged	1,200	1,200	0
New Issues	1,200	1,200	+100

AMEX Diary

Symbol	Class	Prev.	Chg.
Advanced	1,200	1,200	+100
Declined	1,200	1,200	-100
Unchanged	1,200	1,200	0
New Issues	1,200	1,200	+100

NASDAQ Diary

Symbol	Class	Prev.	Chg.
Advanced	1,200	1,200	+100
Declined	1,200	1,200	-100
Unchanged	1,200	1,200	0
New Issues	1,200	1,200	+100

AMEX Diary

Symbol	Class	Prev.	Chg.
Advanced	1,200	1,200	+100
Declined	1,200	1,200	-100
Unchanged	1,200	1,200	0
New Issues	1,200	1,200	+100

NASDAQ Diary

Symbol	Class	Prev.	Chg.
Advanced	1,200	1,200	+100
Declined	1,200	1,200	-100
Unchanged	1,200	1,200	0
New Issues	1,200	1,200	+100

AMEX Diary

Symbol	Class	Prev.	Chg.
Advanced	1,200	1,200	+100
Declined	1,200	1,200	-100
Unchanged	1,200	1,200	0
New Issues	1,200	1,200	+100

NASDAQ Diary

Symbol	Class	Prev.	Chg.
Advanced	1,200	1,200	+100
Declined	1,200	1,200	-100
Unchanged	1,200	1,200	0
New Issues	1,200	1,200	+100

EUROPEAN FUTURES

Class	High	Low	Prev. Close
COCA (ICE)	125 1/2	125 1/8	125 1/2
COCA (ICE)	125 1/2	125 1/8	125 1/2
COCA (ICE)	125 1/2	125 1/8	125 1/2
COCA (ICE)	125 1/2	125 1/8	125 1/2

Food

Class	High	Low	Prev. Close
COCA (ICE)	125 1/2	125 1/8	125 1/2
COCA (ICE)	125 1/2	125 1/8	125 1/2
COCA (ICE)	125 1/2	125 1/8	125 1/2
COCA (ICE)	125 1/2	125 1/8	125 1/2

Metals

Class	High	Low	Prev. Close
COCA (ICE)	125 1/2	125 1/8	125 1/2
COCA (ICE)	125 1/2	125 1/8	125 1/2
COCA (ICE)	125 1/2	125 1/8	125 1/2
COCA (ICE)	125 1/2	125 1/8	125 1/2

Financial

Class	High	Low	Prev. Close
COCA (ICE)	125 1/2	125 1/8	125 1/2
COCA (ICE)	125 1/2	125 1/8	125 1/2
COCA (ICE)	125 1/2	125 1/8	125 1/2
COCA (ICE)	125 1/2	125 1/8	125 1/2

U.S. FUTURES

Class	High	Low	Prev. Close
COCA (ICE)	125 1/2	125 1/8	125 1/2
COCA (ICE)	125 1/2	125 1/8	125 1/2
COCA (ICE)	125 1/2	125 1/8	125 1/2
COCA (ICE)	125 1/2	125 1/8	125 1/2

Grains

Class	High	Low	Prev. Close
COCA (ICE)	125 1/2	125 1/8	125 1/2
COCA (ICE)	125 1/2	125 1/8	125 1/2
COCA (ICE)	125 1/2	125 1/8	125 1/2
COCA (ICE)	125 1/2	125 1/8	125 1/2

1.49	2.97	Jul 94	1.4	3.46%	3.46%
1.49	3.02%	Nov 94	1.4	3.46%	3.46%
1.49	3.17%	Dec 94	1.51	3.41%	3.50%
3.52%					
Est. sales M.A. Wed's sales 4726					
Wed's down 11 - 47.33 off 995					
COCA (ICE)					
5,000 lb min/mkts - dollars per bushel					
3.05%	2.22%	Mar 94	3.07%	3.09%	3.06%
3.12	2.23%	May 94	3.11%	3.14%	3.14%
3.12	2.23%	Jul 94	3.11%	3.14%	3.14%
2.91%	2.40%	Sep 94	2.71%	2.92%	2.90%
2.77%	2.36%	Dec 94	2.21%	2.72%	2.70%
2.77%	2.53%	Mar 95	2.21%	2.72%	2.70%
2.80%	2.76%	May 95	2.31%	2.80%	2.80%
2.80%	2.76%	Jul 95	2.31%	2.81%	2.80%
2.57%	2.67	Dec 95	2.50%	2.57%	2.57%
Est. sales 67,000 Wed's sales 63,245					
Wed's down 11 344,844 up 4550					
SOYBEANS (CBOT)					
5,000 lb min/mkts - dollars per bushel					

Bloomberg Business News

Boeing Co. and McDonnell Douglas Corp., the two other major makers of large commercial aircraft.

The new four-engine widebody A-340 did particularly well, with 15 orders placed by Virgin Atlantic Airways, Air Mauritius and China Aviation Supplies Corp.

By Jacques Neher

Officials of the central bank could not be reached Thursday for further comment because of a holiday in Spain.

Keith Baird, analyst, Kleinwort Benson Securities

"If Conde wasn't fit, why has he been allowed to be president for the past five

Common sense would have told you that different types of loans have different rates of

Continued from Page 10

Mr. Corrigan, the former New

Mr. Sachs suggested that instead of asking the IMF to bundle large loan programs for Russia, "the

ing fresh U.S. aid offers to Moscow. This is partly because of congressional resistance to going beyond the already approved \$2.5 billion of U.S. aid and the \$1.6

The monthly inflation rate fell from a peak of 26 percent in August to about 12 percent in December, but this was still above the

Heiner Flassbeck, the senior institute economist who presented the report, said the Bundesbank

He added that the government appeared to be doing everything it could to exercise fiscal responsibility.

AFP-Extel News
LONDON — Dixons Group PLC announced a pretax loss Thursday of £196.7 million (\$292 million) for the half year ending

It said that the profit fall in the six-month reporting period was largely caused by a fall of £110

12 Months		Div	Yld	PE	S&P 100s	High	Low	Latest Ch
High	Low							
A								

[illegible]

Thursday's Closing
Include the nationwide prices up to
closing on Wall Street and do not reflect
elsewhere. Via The Associated Press

1. The first step is to identify the problem or question that needs to be answered. This involves understanding the context and the specific information required.

ises Stakes

Plaque - Review - Measure

Jim Shan had foreign-exchange earnings of more than \$40 million on trading volume of \$100 million. "We believe it is an ideal vehicle for Shanghai Petrochemical to develop its trading capabilities," Wang Jiming, the Shanghai Petrochemical chairman and president said.

Shanghai Petrochemical also will

The projects will introduce technology for making carbon dioxide and other gases, plastics, polyester products, polypropylene film, fatty acids and liquefied petroleum gases to the company said.

company based on 1992 sales. The increased investments are expected to strengthen the company's production and distribution capabilities, Shanghai Petrochemical said.

Shanghai Petrochemical also said it has formed a new company, Shanghai Jin Hua Industrial Development Co., which will own fuel service stations and trade petro-

[illegible]

Jan. 6, 1993

Quotations supplied by funds listed. Not asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue prices. The marginal symbols indicate frequency of quotations supplied: (D) - daily; (W) - weekly; (B) - bi-monthly; (F) - fortnightly; (M) - monthly; (Q) - quarterly; (A) - annually; (H) - twice weekly; (N) - once weekly.

[illegible]

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He said representatives of Ernst & Young and of 14 major Hong Kong real estate developers would be among those visiting Beijing for talks on the new regulations.

Global public issues of blue-chip Indian companies last year also fetched a better response than expected, according to brokers

The fund manager said that, worldwide,

Navinder Sahni of Martin Partners U.K. said foreign investment would shift from the overpriced Australasian markets to India. "The inflow in 1994 will easily surpass that of last year," Mr. Sahni said.


The fund manager said that, worldwide,

1993 but officials said this was because insurance and freight costs were added to imports. The trade surplus of \$2 billion, after stripping such costs, compares with a deficit of \$2.3 billion in 1992. (AFP, Reuters)

Oil and gas were expected to contribute 12,851 billion rupiah, which would be 18.4 percent of the

ment information
E MONEY REPORT

55 LUXEMBOURG

 **A Investments**

• Vietnam will display products from more than 100 American companies at an exhibition in April, Vietnamica Expo-94, the trade union newspaper Lao Dong said. —Bloomberg, AFP, AP, Reuters

10%	SumT x	.84	8.0	27	16%	10%	10%	-
3%	SumCty		15	19	9%	2%	2%	+
7%	SumNur			81	3%	7%	7%	+
5%	SumGwn		12	152	12%	12%	12%	-
1%	SumEnrgy			8	2%	2%	2%	-
2%	SumSur			12	6%	6%	6%	+

[illegible]

July 10, 1950

SPORTS

Hostetler's Next Task: Lead Raiders Past Broncos (Again)

By Tom Friend
New York Times Service

LOS ANGELES — Jeff Hostetler has been more than a quarterback. He has fixed flat tires, fixed a flat Los Angeles Raiders offense and has done so with screws loose in both knees.

"Hopefully, I won't make any trips to the sidelines this week," Hostetler said.

On Sunday against Denver, he will start his first playoff game since the 1991 Super Bowl. "Seems like I was a Giant a million years ago," Hostetler said — and he has what an amateur doctor would call a body sprain. It is his own fault for loitering so long in the pocket, but, on the other hand, it takes time for Tim Brown, the wide receiver who is headed for the Pro Bowl, to evade triple coverage.

"Maybe he should throw to someone else," Brown said.

If anything, it proves Al Davis and Ray Handley are on the same wavelength: They both believe in Hostetler. Handley's replacement in New York, Dan Reeves, chose Phil Simms over Hostetler, but Davis, the Raider owner, picked Hostetler last winter over Bobby Hebert, Jim Harbaugh, Don Majkowski and Boomer Esiason. The normally frugal Davis then signed him to a three-year, \$7.6 million contract.

"Jeff's earned every cent," defensive tackle Howie Long said.

For Hostetler, it is harder to name what doesn't hurt. He has injured both knees, kept aggravating a sprained right ankle, jammed his throwing shoulder, bruised his ribs, absorbed a concussion in a Green Bay game — and missed only one game.

"This guy has taken his normal man wouldn't be able to get off the ground from," said the Raiders coach, Art Shell. "You wouldn't be able to."

They should have known from his first hour on the job. The offense coach, Mike White, and a team intern drove him to get a physical, and their car had a flat tire on the freeway.

"The kid driving didn't know what he was doing," White said. "We're in the middle of the 405 freeway, and Jeff jumps out of the car and basically changes the tire. He had some skill there, too."

The first people Hostetler ran into at training camp were Raider defensive linemen, who, by instinct, are skeptical of quarterbacks.

"I mean, it's the first day," said Greg Townsend, a defensive end. "Several of us were lifting weights, and Hostetler actually joined in. He didn't know anybody, and he lifted with us. First day! You raise your eyebrows."

Eventually, the defensive linemen sent him where he belonged — to the offense. The previous Raider quarterbacks had been Todd Marinovich, who surfed nude, and the erratic Jay Schroeder. Neither had been overly popular.

Hostetler, as a result, had to blend in, and the linemen adored him as soon as he brought a deck of cards to the locker room.

"He wasn't a typical quarterback, with a big ego or aloof," said Steve Wisniewski, a Pro Bowl guard.

Hostetler contributed on and off the field. First,

he set the Raider record for most yards thrown in a game (424 against San Diego in October). Then, when Greg Robinson, the starting halfback, went down four games ago with a knee injury, he became their leading active rusher (202 yards and five touchdowns on 55 scrambles). And then he set the Raider record for most practical jokes in a season.

"Bill Meyers, our offensive line coach, and I got dressed after a game and went home," Wisniewski said. "And when we took our shoes off, our feet were all blue like we'd stepped in paint. Host had put a clear dye in our shoes that, when it blended in with our feet, turned blue."

Simple soap and water did not remove the dye, and Wisniewski vowed revenge.

"Took about two weeks and about 45 minutes of scrubbing, and the blue was still there," he said.

"Oh, well, keeps everybody on their toes," said Hostetler, who also put hot balm in Long's underwear. "And a lot of times it takes some of the tension out of the locker room."

For weeks, Wisniewski plotted his retaliation

with other offensive linemen, and, following a December victory over Tampa Bay, they conspired to steal Hostetler's clothes from his locker.

When Hostetler returned from his post-game shower he had nothing to wear, and only one teammate was still in the room.

"It was me," said Don Moesebar, the center. "He looked around and grabbed my clothes."

Hostetler left the stadium that day barefoot, wearing baggy sweat pants and an oversized shirt.

"Well, he instigated it," Wisniewski said.

Hostetler's best practical joke may have been getting the Raiders (10-6) to the playoffs after going 7-9 last season. A loss last Sunday to Denver would have eliminated them, and they trailed the Broncos by 30-13 with 25 minutes to go.

Talk about staying in the pocket until the last possible second: Hostetler's touchdown pass with one second left tied the game, 30-30, and the Raiders eventually won in overtime.

He instigated this one, too.

Fiery Wildcats Give Purdue a Scare

The Associated Press

Glenn Robinson had praise heaped upon him once again. Northwestern beat good things for the first time in a long while.

Robinson, considered the best player in the Big Ten, had 24 points, including the game-winning jumper with nine seconds to play.

COLLEGE BASKETBALL

to lead No. 10 Purdue to a 68-67 victory over Northwestern, the conference doorman for years.

"Basically, it came down to a superstar as good as advertised," said the Wildcats' coach, Ricky Byrdson. "There were a couple of areas of the game we could have controlled better — rebounding

and turnovers — but you can't control Glenn."

Robinson, held scoreless for the first 7½ minutes as Purdue fell behind 22-9, never took Northwestern for granted. After all, the Wildcats entered the game unbeaten and had beaten the Boilermakers last season to snap a 60-game road losing streak in the conference.

"We didn't take them lightly," said Robinson, who also had 14 rebounds and two blocks. "They beat us last year and everybody laughed at us. They are going to be laughing a lot at other teams this year."

That is the kind of thing not heard in the Big Ten for many years, but the Wildcats won their first nine games and have looked solid during preconference play.

A 3-pointer by Robinson gave Purdue (12-0) a 66-61 lead. But Pat Baldwin scored three straight times to give the Wildcats a 67-66 lead with 40 seconds remaining.

Robinson then hit a 10-foot (3-meter) jumper with three defenders in his face for the win.

No. 1 Arkansas 87, Mississippi 61; The Razorbacks (10-0, 1-0 Southeastern Conference) used a 20-0 run to set the defensive tone and cruised again at home as Corliss Williamson had 25 points, Mississippi (5-4, 0-1) had 20 turnovers by halftime.

No. 2 North Carolina 88, North Carolina State 58; The Tar Heels (11-1, 1-0 Atlantic Coast Conference) won their ninth straight and have defeated the Wolfpack (4-7, 0-1) by an average of 36 points over the last three meetings.

No. 3 Duke 71, Clemson 65; The Blue Devils (8-0) opened ACC play with a victory for the seventh straight year as Grant Hill scored 22 points and Clemson (16-4, 0-1) was held to two free throws over the final three minutes by visiting Duke.

No. 5 Kansas 90, N.C.-Asheville 44; Steve Woodberry had 16 points to lead the Jayhawks (14-1) to their 10th straight victory. The Bulldogs (2-6) went 10 minutes without a basket early in the second half and lost their 20th straight game.

No. 9 Arizona 98, Arizona State 81; Guards Damon Stoudamire and Khalid Reeves had 30 and 24 points, respectively, as the Wild-



Chris Corchiani fouled Terrell Brandon, but the Celtics ended the Cavs home winning streak at five.

Suns Strike Early To Swamp the Jazz

The Associated Press

The Phoenix Suns had two reasons to worry about traveling to Salt Lake City to play Utah.

For one, the Jazz took a 10-game home winning streak into the game and had a 13-2 record at the Delta Center. For another, the Suns were playing without point guard Kevin

Walt Williams' 3-pointer with 8:25 to go. The visiting Lakers followed with a 20-9 run, closing the gap to 98-94 with 1:35 to play. But they could come no closer.

Magic 105, Bulls 90: Orlando handed visiting Chicago just its third loss in 18 games behind Alvin Jefferson's 20 points, 10 assists and four steals and Shaquille O'Neal's 28 points and 12 rebounds.

Timberwolves 109, Nuggets 95: Minnesota snapped a seven-game losing streak as Michael Williams and Luc Longley sparked a 15-2 third-quarter run after Isiah Rider was ejected.

Williams finished with 22 points and Longley had 12 points and 10 rebounds for the Timberwolves.

Rockets 114, Mavericks 102: Hakeem Olajuwon scored 15 of his 37 points during a 28-14 second-quarter surge and also had 14 rebounds as Houston extended Dallas' NBA-record home winless streak to 14 games.

NBA HIGHLIGHTS

Johnson, who was injured the night before in a loss at Seattle.

Phoenix did not have to worry for long, however. In the first period, it outscored Utah, 40-16, and then went on to a 107-91 victory Wednesday night.

"It sure wasn't expected for us to come out and score 40 points in the first quarter on them," said the Suns' coach, Paul Westphal, whose team shot 60 percent in the first period to Utah's 29 percent. "They had a nice comeback Sunday night against Portland and we were leery of their ability to do that."

A 30-7 run in the last 7:22 of the first quarter, led by A.C. Green with 9 points, put the Suns in control. Green scored 15 of his 19 points in the first period.

Dan Majerle scored 25 points, including 6-for-8 from 3-point range, while Charles Barkley had 23 points and 11 rebounds.

SuperSonics 106, Clippers 98: Shawn Kemp had 22 points and tied a season high with 15 rebounds as Seattle won its fourth straight game and improved to 11-2 on the road and 24-3 overall. Los Angeles has dropped seven of nine games.

Danny Manning, the Clippers' leading scorer this season, tied a season high with 15 rebounds. He ended with 18 points, despite making only two of his first 13 shots.

Manning had 13 points in less than five minutes during the fourth quarter after Seattle built a 14-point lead with 7:41 to play. But his belated effort brought Los Angeles only seven points closer.

Kings 106, Lakers 98: Sacramento won for the fourth time in five games, defeating Los Angeles despite blowing most of a 15-point lead in the fourth quarter.

Mitch Richmond scored 23 points for the Kings, who led 89-74, their largest margin of the game, on

Coleman Is Traded by Mets To Royals for McReynolds

New York Times Service

The New York Mets, discarding remnants of the woeful 1993 season like so many bad memories, ended the failed experiment that was Vince Coleman by trading the outfielder to the Kansas City Royals.

In return, the Mets required another offensive outfielder, Kevin McReynolds, who roamed Shea Stadium for five years before being traded to the Royals in the Bret Saberhagen deal in 1991.

The Mets' general manager, Joe Mauer, said the team had had precious few options when it came to moving Coleman.

"We, as an organization, feel we need to put the Coleman situation behind us and we got value in Kevin really where there was no value because Vince was not going to play for the ball club this year," he said. There was little value to be had for Coleman for two reasons.

First, all of baseball knew that McReynolds had a mandate from ownership to see to it that Coleman never donned a Mets uniform again, thus giving the Mets little leverage. Second, most clubs were scared off by Coleman's recent troubles off the field, chief of which was a firecracker-throwing incident in July that resulted in a misdemeanor conviction for possession of an explosive device.

Only two clubs expressed interest in signing Coleman, but only if the Mets swallowed his \$3 million 1994 contract and released him. The Royals were the only team interested in talking trade.

The deal was agreed upon three days ago, but both teams were given a 48-hour grace period before finalization by the commissioner's office. The final agreement came Wednesday.

Jordan on Deck At Comiskey? Chisox Say No

The Associated Press

CHICAGO — Michael Jordan has been in a batting cage at Comiskey Park, but no, that does not mean the retired Chicago Bulls superstar wants a tryout with the Chicago White Sox, officials of the major league baseball club said.

"Sure, he's been here," the White Sox general manager, Ron Schuler, said Wednesday of the former National Basketball Association star. "He's been taking some swings and playing catch. Basically, he's got three or four hours a day with nothing to do, so he's coming in here and working out. But he's never asked us about spring training."

The Chicago Sun-Times quoted an unidentified source as saying Jordan, 30, was seriously considering reporting to the White Sox preseason training camp in Sarasota, Florida, when it opens Feb. 16.

Jordan's only previous experience playing baseball was in Little League.

No. 17 Cincinnati 103, Chicago St. 49; LaZelle Durden had 33 points and matched his school record with eight 3-pointers as the Bearcats (11-2) crushed the Cougars (1-12) for the second straight year. Chicago State made the trip without its three leading scorers, who were suspended for breaking team rules.

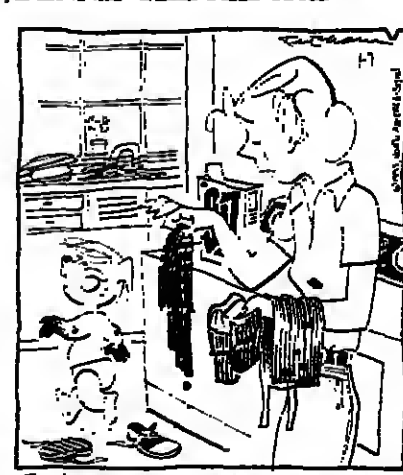
cats (11-1) opened defense of their Pac-10 title by dominating the boards 59-33 against visiting Arizona State (5-4, 0-1).

No. 13 Michigan 75, Michigan St. 64; Jalen Rose had 22 points and Juwan Howard added 17 as the Wolverines (9-2, 1-0 Big Ten) beat the visiting Spartans (9-4, 0-1) for the fourth straight time.

No. 25 Marquette 79, Memphis St. 67; Damon Key had 18 points and Ronny Eford added 16 as the Warriors (8-3, 1-0 Great Midwest) bounced back from a loss to Wisconsin on Sunday. Marquette took control early by making eight of its first 14 shots. The visiting Tigers (5-5, 0-1) never got closer than 10 points in the second half.

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DENNIS THE MENACE



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PEANUTS



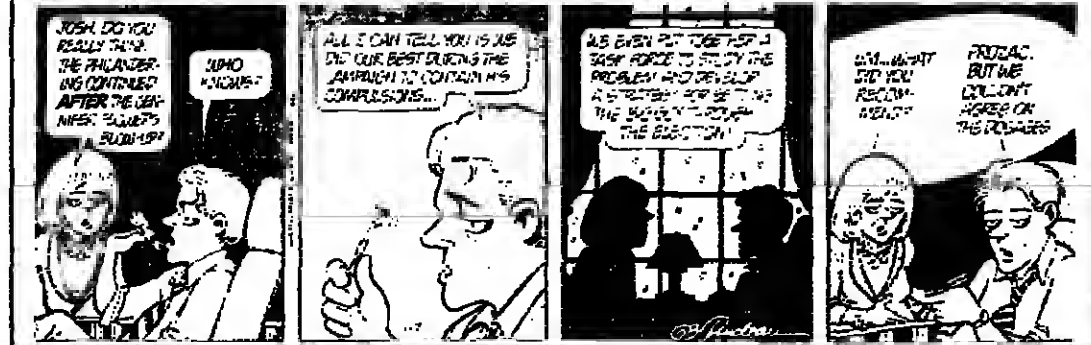
BLONDIE



BEETLE BAILEY



DOONESBURY



CALVIN AND HOBBES



WIZARD of ID



REX MORGAN



GARFIELD



JUMBLE

Scrambled words that contain the letters R, E, X, E, T, K, R, O, P, E, V, E, S, S, U, R, T, E, N, N, I, T.

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